

**LEGISLATIVE PRESENTATIONS OF  
VETERANS SERVICE ORGANIZATIONS AND  
MILITARY ASSOCIATIONS  
HEARING I**

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**HEARING**

BEFORE THE

**COMMITTEE ON  
VETERANS' AFFAIRS**

**HOUSE OF REPRESENTATIVES**

**ONE HUNDRED NINTH CONGRESS**

**SECOND SESSION**

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**FEBRUARY 15, 2006**

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**LEGISLATIVE PRESENTATIONS OF VETERANS SERVICE  
ORGANIZATIONS AND MILITARY ASSOCIATIONS  
HEARING I**

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**WEDNESDAY, FEBRUARY 15, 2006**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, D.C.*

The Committee met, pursuant to call, at 10:35 a.m., in Room 334, Cannon House Office Building, Hon. Steve Buyer [Chairman of the Committee] presiding.

Present: Representatives Buyer, Bilirakis, Evans, Filner, Michaud, Miller, Boozman, Brown-Waite, Bradley, Udall, Hersheth, Strickland, Berkley.

THE CHAIRMAN. Good morning. The Full Committee Hearing of the House of Veterans' Affairs Committee, date February 15th, 2006, will come to order.

Today we will hear testimony from Veterans and Military Service Organizations regarding their recent resolutions and their legislative proposals for fiscal year 2007.

Last week, we heard testimony of the 2007 budget request from Secretary of Veterans' Affairs Jim Nicholson and the Independent Budget, along with others such as The American Legion and the Vietnam Veterans of America.

It was a constructive hearing, and I look forward to an exchange today on issues of shared concern, quality health care for our veterans enrolled in the system, timely and accurate claims decisions, seamless transition between DOD and VA, and helping veterans live full, healthy lives, which take advantage of opportunities offered by a nation they defended.

Last week, I announced my support for modernizing the GI Bill, and I look forward to working with VSOs and MSOs on this initiative.

Before we begin, I extend on behalf of the Committee's members and staff our appreciation for the enduring contributions made by the membership and the organizations that are before us the next

few days including also beyond your members, your auxiliaries and their families.

As this Committee develops its views and estimates for the submission of the budget to the Budget Committee, your testimony today and tomorrow is invaluable. Your thoughts will be integral to the tough decisions we must make in the week ahead.

As Chairman of the Committee, the top three priorities remain caring for veterans who have service-connected disabilities, those with special needs and the indigent, our core veterans, and ensuring a seamless transition from military service to the VA, providing veterans every opportunity to live full and healthy lives.

These are my priorities and I look forward to hearing yours. In our exchange, we must also ask difficult questions, question old assumptions, and assume that we can do better.

I would like to recognize Mr. Evans. Mr. Evans has a prepared statement for which he has submitted for the record, and asks unanimous consent that it be submitted for the record. Hearing no objection, so ordered.

[The statement of Lane Evans appears on p. 56]

THE CHAIRMAN. The first panel will please come forward.

Today we will hear testimony first from Mr. Steve Robertson representing The American Legion. Steve was named the Director of the National Legislative Division in May of 1993. He served as a military policeman in Washington, D.C., the Army National Guard, and was activated on January 1991 during the Persian Gulf War and served from February to June in Saudi Arabia.

Each year, The American Legion sponsors several citizenship programs such as boys and girls state programs, which provide valuable leadership skills to our nation's youth. And Steve and the Committee received additional information and requested to have submitted for the record. It was last week's hearing statement from the National Commander.

I will allow you to do that during your statement.

Also testifying next is we will have Dennis Cullinan, a veteran of the United States Navy. He became a Legislative Director for the VFW on August 1997.

We look forward to your testimony on this agenda.

I want to commend the VFW for your work on Operation Uplink, a program to provide free phone cards to military personnel and hospitalized veterans. The VFW will again be cosponsoring the Annual National Veterans Golden Age Games.

We also have next is Mr. Jim King who has been serving as the National Executive Director of AMVETS since May of 2002. He is a ten-year veteran of the United States Marine Corps. He joined AMVETS in 1969 after serving two combat tours in Vietnam, the 3rd

Marine Division.

I want to thank the organization for providing a large cadre of Veterans Service officers who assist our nation's veterans.

We also have Joe Violante, the Legislative Director for the Disabled American Veterans. He is a former Marine, a disabled Vietnam veteran. He has been serving as the Legislative Director for DAV since July of 1997. And DAV has been very active in the disabled sports community and sponsored the Annual National Disabled Veterans Winter Sports Clinic in Snow Mass, Colorado.

I will now turn to Mr. Robertson. You are now recognized for ten minutes.

**STATEMENTS OF STEVE ROBERTSON, LEGISLATIVE DIRECTOR, THE AMERICAN LEGION; ACCCOMPANIED BY DENNIS CULLINAN, LEGISLATIVE DIRECTOR, VETERANS OF FOREIGN WARS OF THE UNITED STATES; JIM KING, NATIONAL EXECUTIVE DIRECTOR, AMERICAN VETERANS; JOSEPH VIOLANTE, LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS**

MR. ROBERTSON. Thank you, Mr. Chairman. I ask that the National Commander's written testimony be submitted into the record in full.

THE CHAIRMAN. Hearing no objection, so ordered.

[The attachment appears on pg. 103]

**STATEMENT OF STEVE ROBERTSON**

MR. ROBERTSON. Thank you for inviting The American Legion to offer its legislative agenda for the issues under the Committee's jurisdiction. National Commander Tom Bock was unable to be in Washington to present this testimony, but he extends his greetings to you and your colleagues.

The American Legion has a proud tradition of advocating on behalf of America's veterans and this testimony reflects the continued commitment to ensuring VA is capable of meeting its obligation to all of America's veterans and their families.

As Congress begins the second session, The American Legion is prepared to work with you and your colleagues to address a number of challenges facing the VA and America's veterans.

Just over 24 million Americans have earned the title veteran. They join a long list of citizens, soldiers, sailors, airmen, Marines, and Coast Guard who have honorably served this nation. In return, a grateful nation has set aside certain earned benefits in gratitude for their personal commitment and individual sacrifice.

Although veterans represent a small minority of Americans, they share a common bond that links them together forever. That bond is

honorable military service in times of war and conflict as well as in peace.

The decision to enlist in the armed forces is made freely. However, the Department of Defense, not the individual, determines when and where service is prepared. Whether in a missile launch control facility beneath the grounds of the Dakotas or on the sands of southwest Asia, military service is the profession of national defense.

Each generation of veterans have certain benefits that they are eligible to receive. Generations of veterans have successfully used their educational benefits to achieve their chosen occupational goal. The current Montgomery GI Bill needs modernization to match the needs of today's Armed Forces.

Our veterans have also become homeowners by using the Home Loan Program. The American Legion continues to support this part of the American dream, but believes this program, too, should receive a thorough review.

Millions of veterans have made their final muster among their comrades in veteran cemeteries across the nation. The American Legion deeply appreciates the efforts made to maintain and preserve that hallowed grounds.

The nation has also recognized and cared for those that have suffered physical and mental scars while on active duty. In efforts to make them whole again, some veterans are awarded disability ratings for medical conditions incurred or aggravated while in service to America. The American Legion remains committed to the improvements in VBA to dramatically improve timeliness and accuracy of claims decisions.

Mr. Chairman, The American Legion is pleased with the well-documented accomplishments and rave reviews VA's VHA continues to receive not just from the veterans community but from the health care industry. The very fact that over 200,000 new priority group eight veterans were turned away clearly indicates that VA health care is becoming the best health care option for more and more veterans.

The question facing The American Legion and this Congress is how do we meet the increased demand for access with enhanced resources? The American Legion looks at three obvious areas: Improved annual Federal appropriation process; improved third-party collections; and identify new revenue streams.

The American Legion has joined with other veterans' organizations represented here today to form the partnership for veterans' health care budget reform.

Mr. Chairman, last year, you and your colleagues clearly identified the problem. The model and methodology in funding the VA medical care system is absolutely critical. We must get it right not just this year but every year. Funding for VA medical care is an issue of fairness.

Repeatedly, members of Congress across the political spectrum seem to agree that the Federal budget should reflect the nation's priorities. Since over half of the Federal budget consists of mandatory spending, the question must be asked, which of these mandatory programs are greater national priorities than providing timely access to quality medical care to service-connected disabled veterans, especially those with combat-related medical conditions?

For many of these veterans, VA is their primary life-support system. Who among us is willing to tell a young servicemember recovering from serious combat wounds at Walter Reed or Bethesda that if he or she were Medicare eligible, his or her health care would be guaranteed? But since they are just service-connected disabled veterans, their health care is based upon existing appropriations.

The partnership believes there is a better way to assure adequate funding to meet VA's medical care mission. That is clearly achievable rather than questionable from year to year. Yet, there are other veterans that see VA as their best health care option as well. The American Legion believes we must find the answer to their question, why can't I enroll.

Some of these veterans are combat veterans that return from battle to their family and friends with no serious medical problems. These are veterans that are prohibited from enrollment simply because they are high-income veterans. Even if the veterans have other public or private health care coverage that could or would reimburse VA for the care and treatment, they still cannot enroll. This simply doesn't make sense. Who drives away paying customers?

The American Legion has expressed concern over the medical care collection fund for several years. The obvious elephant in the room are those enrolled veterans that identify Medicare as their primary health care provider. These veterans may have Part A, Part B, and supplemental coverage.

The American Legion supports authorizing VA to collect third-party reimbursements from Medicare for treatment of allowable non-service-connected medical conditions. Mr. Chairman, currently VA is prohibited from these third-party collections even though half of the enrolled patient population are Medicare-eligible veterans. This is a statute passed by Congress; therefore, it can be amended or repealed by Congress.

In addition, VA does not receive any credit for the amount of mandatory appropriations VA saves the Federal Government by treating Medicare-eligible veterans without receiving these reimbursements. According to Title 38 of the United States Code, Medicare eligibility is not an entitlement to VA health care.

This Congress should give serious consideration to allowing VA to collect third-party reimbursements just like the Department of Health and Human Services and the Department of Defense. This

Committee should take action to address those veterans with no private health coverage and those veterans with private health care insurance that does not reimburse VA.

Congress should allow VA to offer affordable, premium-based health care benefit packages similar to TRICARE, Medicare for those enrolled veterans with no health care coverage. These veterans would have a choice of health benefit package that best meets their individual health care needs and would make appropriate co-payments in addition to the monthly premiums. VA would in turn guarantee access standards for these veterans.

In addition, VA should notify enrolled veterans with third-party insurance companies when their insurers refuse to reimburse the VA.

VA medical care is not an entitlement for all veterans. Clearly these veterans wanting to enroll in the VA health care system will have to make co-payments and bring their public and private third-party collections with them.

The American Legion continues to work with this Committee to ensure that VA is indeed capable of providing earned benefits to those veterans that have served with honor, dignity, and courage. With young American servicemembers continuing to answer the nation's call around the world, we must, more than ever, work together to honor their sacrifices.

As veterans of OEF and OIF return home, they are turning to VA not only for health care but for assistance in transitioning back to the civilian world.

The American Legion has growing concerns of the recent changes to the DOL's VETS Program and are not sure that it is working in the best interest of today's underemployed veterans and unemployed veterans.

Since every state is now responsible for developing the VETS Program for that state, we can end up with 50 different programs with some performing better than others. That is a formula for disaster. Every veteran deserves the best services for DOL regardless of where they reside.

Over the past four years, The American Legion has carefully followed the progress in the CARES process. We have participated in every stage of the process by gathering information on VA medical centers throughout the country and to make certain medical care services were not ignored in an attempt to downsize the system. We did this with the help of legionnaires both at the department and post level who care about the quality and timeliness of medical care delivery.

As the implementation process of the CARES decision continues, The American Legion will remain vigilant to assure that veterans are not deprived of their earned benefits. No facility should be closed for services before new services are provided and functioning in place.

Further, we must continue to oversight the integration of the CARES process into the strategic planning process. The American Legion continues to monitor the progress of the 18 sites selected for additional analysis and study.

Mr. Chairman, The American Legion is committed to ensuring VA carries its historic and statutory responsibilities to provide medical care and benefits to those who have selflessly and honorably served this nation.

There are currently 2.6 million veterans receiving disability compensation, and VA reports that that number will continue to increase. While the number of claims and appeals has continued to increase, the FTE levels have decreased.

Because VBA has lost so much of its institutional knowledge base over the past four years due to retirement of many of its 30-plus-year employees, staffing at most regional offices is now mostly comprised of trainees and individuals with less than five years of experience. The bottom line is that VBA must have enough people to handle the ever-increasing workload.

Over the past three years, The American Legion's System Worth Saving Task Force has completed visits to every VA medical facility. Our site visits revealed critical shortages in funding in the VA health care system.

A number of facilities reported having to convert capital investment dollars from health care dollars in order to keep the service demand of the current veteran patient population. The shifting of these funds has resulted in delays of needed infrastructure repairs, resulting in huge maintenance backlogs at facilities.

Shuffling funds within a weak budget is no way to run a health care system designed to take care of the servicemembers wounded both of mind and body while in defense of this country.

America's sense of invulnerability has changed forever by the newly-emerging global threat. We need to have a strong, forward-thinking defense and we need to have a VA system that is also forward thinking.

With that dedication comes a national obligation to those Americans who served in the Armed Forces. Together we will work to ensure a strong, forward-thinking VA that will be able to provide earned benefits to the new generations of veterans. The brave men and women who serve in the Armed Forces in Iraq and Afghanistan and throughout the world deserve no less.

The American Legion looks forward to working with you and your colleagues in the second session. Thank you very much for accepting our views and comments.

THE CHAIRMAN. Thank you, Mr. Robertson.

[The statement of Steve Robertson appears on p. 75]

THE CHAIRMAN. Mr. Cullinan, VFW.

MR. CULLINAN. Thank you.

I would ask that my written statement be made part of the record.

THE CHAIRMAN. Hearing no objection, so ordered.

## STATEMENT OF DENNIS CULLINAN

MR. CULLINAN. Chairman Buyer, Ranking Member Evans, Vice Chairman Bilirakis, and distinguished members of this Committee, I thank you for inviting the Veterans of Foreign Wars of the U.S. to testify today.

With thousands of men and women toiling in the deserts of Iraq and the mountains of Afghanistan, the price of war is visible on our TV screens on a nightly basis. But war has long-lasting effects, many of which must be taken care of long after the last shots are fired.

Today's soldiers are tomorrow's veterans. And just as this nation is renewing its commitment to care for those in uniform today, so must it live up to its obligation to care for those who have worn the uniform before.

Last year's VA funding problem is something we never care to see repeated again. The errors which resulted in a health care system on the verge of bankruptcy are inexcusable. We thank you, this Committee and this Congress, in correcting this problem. We welcome continued oversight of the VA's budget methodology to ensure that this dilemma does not happen in the future.

With respect to the fiscal year 2007 budget, we were pleased to see the Administration's request, and we think that it is an excellent starting point. It appropriates 31.4 billion for medical care, which is nearly 2.7 billion more than the total amount for fiscal year 2006. Total discretionary funding is up by 3.4 billion. We view this as an acknowledgement and a commitment to this nation's obligation to our veterans.

The VFW, however, strongly opposes some of the enrollment fees and co-payment increases to raise money in lieu of appropriated dollars. These fees would be a great burden on a large number of the veterans. VA has even admitted that it would force many thousands of veterans to decline to receive their earned health care through VA. This is unacceptable to the VFW.

We also feel that VA's collection goals are overly ambitious. This budget is relying on 2.8 billion in collections for 2007 when VA, despite improvements in their collection processes, has only collected \$2 billion in the current fiscal year in a projected basis. VA has never been able to meet their collection targets and we fear that next year will be no exception.

Turning to the Veterans Benefit Administration, we remain greatly concerned with VBA's ability to process compensation and pension

claims in a timely and accurate manner. These claims directly affect the economic well-being of our nation's sick and disabled veterans as well as their dependents. These payments help to make a veteran whole and help him or her to provide for their family.

Unfortunately, the claims backlog has swelled to unreasonable lengths. On average, it takes VBA 171 days to process a claim, nearly six months. VA projects that this will increase to 180 days during fiscal year 2007. The lengthy delays represent real-world hardship for veterans waiting for money for food and for shelter and for their families.

Not only does it take longer for a claim, when VBA decides a claim, it is frequently wrong. VBA has a major error in 15 percent of the claims they process. These are errors that are adversely affecting veterans.

In an attempt to make superficial improvements in the claims backlog and because of inexperienced staff, more errors are being made, further lengthening the time veterans must wait through the appeals process, or completely preventing a veteran from receiving their disability compensation entirely.

VBA must get better. And with the inexcusable proposal contained in the budget to cut 149 FTE in compensation direct labor, there is not much chance for VBA to make meaningful improvements next year.

We must also be mindful of those servicemembers transitioning from active duty to veteran status. It is inexcusable that, after many years of trying, VA and DOD are still unable to transfer medical information.

We must continue to work towards a truly seamless transition, and we appreciate your strong interest in this area, Mr. Chairman. This will serve to lessen delays for disabled veterans and will improve the accuracy of VA's claims with improved and timelier medical data.

To help aid the transition back into civilian life, we also support the strengthening of the Montgomery GI Bill. And we note and applaud your stated intention to work in this area.

The Montgomery GI Bill has allowed thousands of men and women to educate themselves and take their places as leaders in this country. It remains the VFW's goal to have a GI Bill for the 21st Century, which, like the World War II model, would pay for the full cost of attendance at any school to which a veteran chooses and is accepted.

Further, we would like to see the \$1,200 buy-in for the Montgomery GI Bill eligibility eliminated. No other form of Federal student aid requires payments by individuals.

We would also like to see the benefit provided to the Guard and Reserve strengthened. Over the last several years, the active duty benefit has dramatically increased. And although we would like to see meaningful improvements in that, it is also important that the

Guard and Reserve portion keep pace. These were not increased in proportion with the active duty benefit, and we would like to see them reportioned with the active duty benefit.

There are several other issues, which, while not under the purview of this Committee, are important to our members. First, we would urge Congress to approve full and immediate concurrent receipt for all disabled military retirees to eliminate the offset of retired pay and disability compensation.

Mr. Bilirakis, we certainly applaud everything that you have done in this area.

[Applause.]

MR. CULLINAN. We would also like to see improvements made to the benefits provided to our men and women currently in uniform. We support pay compatibility for those in uniform and improved access to quality housing including communities with full support for families and children.

We also look for improved health care coverage options for all members of the Guard and Reserves. We have made great strides in this area over the past few years, but there is still room for improvement as we attempt to acknowledge the Reserve component's changing and ever-increasingly important role.

We thank you for allowing us to testify today and we look forward to working with you and the members of this Committee to improve veterans' benefits and health care. I would be happy to respond to any questions you may have. Thank you.

THE CHAIRMAN. Thank you very much.

[The Statement of Dennis Cullinan appears on p. 119]

THE CHAIRMAN. Mr. King, AMVETS, you are now recognized.

MR. KING. Thank you. I ask that my written statement be entered into the record.

The Chairman. Hearing no objection, so ordered.

#### STATEMENT OF JIM KING

MR. KING. Thank you, Chairman Buyer, Ranking Member Evans, Vice Chairman Bilirakis, distinguished members of the Committee.

I come before you today to talk about AMVETS' legislative agenda, views, and priorities. Not surprisingly, veterans' health care is at the top of our list.

Once again, a new generation of Americans are deployed around the world. Our soldiers are doing everything we ask of them and much more. They fight to conquer the evil forces who would rule by fear and they help spread freedom and democracy around the world.

About 103,000 soldiers returning home are in need of health care

services for physical and psychological traumas of war. Seventeen percent of them have been diagnosed with PTSD. These are the hidden scars the young men and women who serve in combat are left with. Before you think about underfunding VA health care, go and visit these injured soldiers, talk with them and listen to their stories.

We are spending close to \$2 billion a week for operations overseas, yet we are trying to nickel and dime veterans' health care here at home. Nobody is saying we are spending too much for our national defense. Nobody is asking us to reduce the defense or VA budget. I believe there is enough money to properly equip the military and take care of those who serve.

Looking at the VA budget, AMVETS recommends Congress provide \$32.4 billion for veterans' health care, which is an increase of 3.7 billion over last year and approximately one billion over the Administration's request without collections.

AMVETS is disappointed that once again there is a proposal to increase prescription co-pays and create an annual enrollment fee. These new fees will have a dramatic impact on veterans, causing over one million to drop out of the system. The premium has already been paid by service to this country. AMVETS disagrees with this policy and we ask Congress to reject it.

It is apparent that the reason for these policies is to generate revenue, save money, and reduce discretionary spending. Year after year, we are told that the budget recommended by the Administration, the majorities in the House and the Senate, are adequate. We know this is not true.

Despite the Independent Budget recommendations last year, Congress relied on what the VA said they needed. We were not surprised when the VA finally admitted they were well over a billion dollars short. I ask that you listen and pay attention to us this fiscal year. We were right then and we are right now.

Frankly, the current system of funding veterans' health care is broken. It does not work. AMVETS will continue to pursue legislation to assure dependable and stable funding of the VA. Basically what we seek is assured funding.

Under the current process, VA health care competes with other priorities. Shifting to a mandatory funding system will provide a stable and timely system of funding for the VA. We ask that you seriously take a look at this idea. It may be hard for Congress to swallow, but once health care funding matches the actual cost of care, the VA can truly fulfill its mission.

AMVETS is very concerned about a DOD proposal to double or triple TRICARE fees. DOD believes these increases will save money by shifting 24 percent of users away from retail outlets, cause 600,000 current enrollees to exit TRICARE by 2011. These retired soldiers,

sailors, Marines, and airmen put their lives on the line for our national defense. We should not force them out of the health care system that covers them and their families.

AMVETS believes there is no greater responsibility of DOD and VA than to properly assist returning soldiers. In order to provide a seamless transition, AMVETS recommends that the veterans' basic service information be made available electronically. We ask that you explore ways to make this possible. AMVETS encourages you to take a look at the Transition Assistance Program.

The Department of Defense estimates that 68 percent of separating servicemembers attend the full TAP seminars, but only 35 percent of the Reserve components attend. Countless numbers of National Guard and Reserve troops return from the war only to encounter difficulties with their federal and civilian employment. AMVETS encourages Congress to explore ways to make TAP participation mandatory for active duty and Guard and Reserves.

While speaking about returning troops, we ask that you continue to adequately fund the DVOP and LVER Program. AMVETS also asks that you keep a close eye on legislative attempts to consolidate and block grant the DVOP and LVER. It would be a grave error to downgrade employment services that specifically help troops.

For decades DVOPs and LVERs have been the cornerstone of employment services for veterans. We believe it is important for states to continue to be required to hire veterans for these positions.

A practical example of just how important it is for veterans to advocate for veterans can be found within our own organization. The AMVETS Department of Ohio developed and fully operates a career center designed to assist veterans in their career needs.

The AMVETS career center provides a range of services to help veterans find employment or assist them in refreshing and upgrading their skills. This is done at no cost to the veteran. The center also provides services to non-veterans from the community for a fee of \$50.00.

AMVETS is very concerned about the growing backlog of claims. Veterans Benefits Administration reports that 117,766 claims for benefits have been pending for more than 180 days. That's 19,581 more claims than this time last year. There are, of course, reasons for that. Budgets cannot stretch to cover the needs, experienced employees retiring and being replaced by novices requiring training, and, of course, the Global War on Terrorism.

How can VA adequately process disability claims with the funds and staffing levels they have been given? The answer is they cannot. If you cannot get them the funding they need to fully staff, full man all VBA regional offices, then the VA will never be able to do its job to the best of its ability.

AMVETS supports legislation that would award a Military Service

Medal to those who served during the Cold War era. We are disappointed that the Cold War Victory Medal did not survive the House-Senate conference on the fiscal year 2006 Defense Authorization Act. This nation would certainly demonstrate its great respect for these veterans by creating the Cold War Victory Medal.

AMVETS will not waiver in its efforts to protect the flag from being dishonored. The flag stands for all that is good about our country. The flag is placed over the coffins of those who died so as others might live. It covers the bodies of first-responders who gave their lives in the line of duty and it flies at half mast in recognition of honorable Americans. It is much more than a piece of cloth. It stands for independence, union, and the values on which it was established. We believe our children should be raised as patriots, full of respect for the flag and the constitutional values it represents.

On this issue, we recognize and greatly appreciate the members of the House who helped assure overwhelming passage of the Flag Protection Amendment.

I would be remiss if I did not acknowledge the fine work VA nurses provide to wounded veterans. VA nurses care for over five million veterans nationwide. The VHA has the largest nursing workforce in the country with nearly 59,000 registered nurses, licensed practical nurses, and other nursing personnel.

But VA staffing levels are so precious that even the loss of one nurse can result in a critical staffing shortage. AMVETS encourages this Committee to actively address the retention and recruitment of VA nurses.

We also want the fullest possible accounting of our servicemen, prisoners of war, and missing in action. No amount of effort or commitment can compensate for the loss of our service personnel, but the endeavor honors the value of an American's service to his country.

Mr. Chairman, great decisions and challenges await us in the months ahead. The membership of AMVETS looks forward to working with you to establish a clear policy of national recognition for those who serve. We have much to do, but we are encouraged in knowing that our work will help the heroes who have borne to battle and lived to tell about it.

This concludes my testimony. I appreciate the opportunity to appear before you today. Thank you for your support of veterans.

THE CHAIRMAN. Thank you, Mr. King.

[The statement of Jim King appears on p. 123]

THE CHAIRMAN. Mr. Violante, DVA.

MR. VIOLANTE. Thank you, Mr. Chairman, members of the Committee. I ask that my written statement be entered into the record.

THE CHAIRMAN. Hearing no objections, so ordered.

## STATEMENT OF JOSEPH VIOLENTE

MR. VIOLENTE. On behalf of the more than 1.5 million members of the Disabled American Veterans and its auxiliary, I am pleased to discuss the agenda of our nation's wartime disabled veterans and their families.

Mr. Chairman, I must state that DAV and its members are not pleased our joint hearings have been cancelled. It is our sincere desire that you would reconsider your decision and again allow us the opportunity to appear before a joint hearing of the Veterans' Affairs Committees.

Mr. Chairman, today, America's sons and daughters are serving our nation in our armed services, protecting our freedoms here and abroad. Not since the Vietnam War has our nation had to deal with such a significant number of severely disabled wartime casualties. Although the medical care and services they receive from the military is excellent, I am concerned about their ability to receive timely quality care from the VA in the future.

Since its inception, the DAV looked to protect the interests of all disabled veterans. The purpose those disabled veterans set for themselves in 1921 remain the same today: Building better lives for our nation's disabled veterans and their families.

We must be farsighted to ensure that VA remains a viable provider of veterans' benefits and services for our newest generation of disabled veterans. These brave young men and women will need the full continuum of VA services well into the latter part of this century.

In March 2005, then DAV National Commander Jim Sursely expressed our concerns about the VA's ability to care for our nation's veterans. And he reported news articles from around the country about shortfalls in health care funding to this Committee and the Senate Veterans' Affairs Committee. Unfortunately, his concerns fell mostly on deaf ears.

Although delayed, Congress finally provided supplemental funding for VA. However, we are hearing from the field today that budget woes are still present. The hiring freeze is still in place. A review of the recently-submitted budget demonstrates employee levels in health care for fiscal year 2005 and 2006 remain unchanged.

It is our understanding that VA medical facilities are required to pay back a substantial portion of the money they received from Central Office for the funding shortfalls for last year. Some facilities are reporting that the increase they received in fiscal year 2006 will help to pay for salary increases only. Others report continued deficits and backlogs. Some are actually reducing non-VA medical care. And some medical facilities are questioning how they will make it through this year.

Mr. Chairman, I can assure you that the DAV, along with the mem-

bers of the Independent Budget, does not ask for more money just to help VA build a large fiefdom. Our recommendations in the Independent Budget are not only based on discussions with the bean counters and program directors at VA, but also on conversations with VA employees who are on the front line of providing services to veterans. We also receive information from our members and employees about the state of affairs at VA facilities nationwide.

As called for in the President's budget submission, medical services for veterans would rise from 22.5 billion to 24.7 billion or a nine percent increase. The DAV and other veteran service organizations are calling on Congress to provide about \$26 billion for veterans' medical services, almost 1.3 billion more than the President has requested. And we are united in our opposition to imposing new fees and higher co-payments on certain veterans who choose to get their care from VA.

The Health Care Eligibility Reform Act of 1996 authorized eligible veterans access to VA health care. More importantly, it authorized VA to provide a full continuum of care to veterans, thereby greatly improving the quality of VA health care. Today that quality of health care is recognized worldwide.

The improvement in VA health care is directly due to the changes brought about by the Reform Act. The change has created a more effective and efficient health care system. Progress made as a result of these changes has made the VA a world leader in the health care industry. VA consistently sets the benchmark for patient satisfaction in inpatient and outpatient services.

We firmly believe this to be true and we look forward to your hearing to retrospectively review this Act. To guarantee the viability of the VA health care system, it is imperative that the funding be guaranteed with mandatory funding and that all disabled veterans and other enrolled veterans be able to access the system in a timely manner. By including all eligible and enrolled veterans in a guaranteed funding proposal, the VA system and specialized programs will be protected now and into the future. To exclude a large segment of currently-eligible and enrolled veterans from the system, however, could undermine VA's ability to provide a full continuum of care to disabled veterans in the future.

We believe funding for veterans' benefits and health care services should be a top priority of our government as a continuing cost of our national defense. As a nation, we must be willing to bear the cost of providing special benefits to such a unique group, those men and women who are willing on behalf of all Americans to serve to preserve our cherished freedoms and democratic values.

To assure the veterans' medical care is maintained is a top government priority. Its funding again should be mandatory to remove it from competition with politically popular but less meritorious proj-

ects and programs. With guaranteed funding, VA can strategically plan for the future to optimize its assets, achieve greater efficiency, and realize long-term savings.

Mr. Chairman, I will now focus on the benefit side of VA. A core mission of the VA is the provision of benefits to relieve the economic effects of disability upon veterans and their families. Disability benefits are critical and providing for our disabled veterans should always be a top priority of our government.

Let me now turn to the President's budget request under the general operating expenses account. We are pleased to see the President add more staffing in Education Benefits Program and Vocational and Rehabilitation and Employment Program, though these requests still fall short of what is necessary.

At the same time, we are perplexed by the budget recommendations to reduce direct program staffing for compensation claims processing, an area with the most critical and widely-acknowledged need for additional adjudicators.

For VR&E, the President requests 1,255 FTE. The IB recommends 1,375 FTE. Based on the adverse and long-standing problems from chronic under-staffing in compensation and pension services, compounded by anticipated increased claims volume, the IB recommends 10,820 FTE for C&P service. The President requests 9,445 FTE, which would reduce direct program FTE for handling compensation claims by 149.

The budget concedes that although unacceptable claims backlog should grow even larger in 2006 and 2007, we urge the Committee to recommend adequate staffing for C&P service.

Mr. Chairman, DAV's 2006 mandates cover a broad spectrum of VA programs and services and have been made available to your staff. With realization that we shall have the opportunity to more fully address those resolutions during hearings and personally with your staff, I shall briefly comment upon a few of them at this time.

Accordingly, in addition to correcting the budget process for VA health care and the claims backlog at VBA, the members of the DAV call upon this Committee to increase the face value for service-disabled veterans' insurance, authorize VA to revisit its premium schedule for SDVI to reflect current mortality tables, extend eligibility for Veterans Mortgage Life Insurance to service-connected veterans rated permanently and totally disabled, support additional increases in grants for automobiles and specially-adaptive housing and provide for automatic annual adjustments based on an increase in the cost of living, support legislation to remove the prohibition against concurrent receipt of military longevity retirement pay and VA disability compensation for all affected veterans, support legislation to allow all veterans to recover amounts withheld as tax on disability severance pay, support an expansion of POW presumptions, provide edu-

cational benefits for dependents of service-connected veterans rated 80 percent or more disabled.

We are also in support of House Resolution 1951 to provide for the minting of a coin by the Treasury to commemorate disabled veterans and to contribute the surcharge on the coins to the funds for construction of the American Veterans Disabled for Life Memorial.

Mr. Chairman, this completes my testimony. I will be happy to answer any and all questions the Committee might have. Thank you.

[The statement of Joseph Violante appears on p. 138]

THE CHAIRMAN. I have two quick comments and then I am going to yield to Mr. Bilirakis for questions.

First of all, today, the Katrina Committee will vote on its report and part of the factual basis of pre-landfall, post-landfall, the evacuations, search and rescue and response. The Veterans Service Organizations played a part in all this.

And so on behalf of this Committee, please extend to the leadership our grateful appreciation for many of your members and how you reached out and helped. It defines a lot about who you are. It helps define the character of a nation. So please extend that. And I will make those comments later this afternoon.

Also, to put on your radar screen, the Chief of the Army Reserve had called up individuals out of the Individual Ready Reserve. Some of these individuals did not report for duty. Now, there is a problem coming. I am putting this on your radar screen for you to be aware and to watch this one as it comes.

I think there is some uncomfortableness the Pentagon to go have them arrested. I do not think they want a repeat of the Vietnam era and people running to Canada and that kind of thing. And as for these individuals, the commanders will have to make decisions on what to do with these individuals who do not report for duty and have not reported for duty. I think there are under a hundred of them.

And so I want to bring it to your attention because if they choose an administrative discharge proceedings, if these individuals who chose not to show up for duty end up with a general discharge, they could be entitled to veterans' benefits and would be in a similar capacity as those who were a combat veteran.

So I am putting it on your radar screen. I want you to go back and share this one in your discussions with your legislative Committees. And if you can please let us know your positions, and I want to convey that then onto the Pentagon.

Hopefully, you know, they are giving the best counsel to these commanders that these individuals should be discharged at a minimum of an administrative discharge under other than honorable conditions and then that would take care of the benefit side of the house. But I will let you go back and chew on that one.

Mr. Bilirakis.

MR. BILIRAKIS. Thank you, Mr. Chairman.

You know, regarding that particular point, many people have received a general discharge over the years going way back. It was never considered to be dishonorable of that nature. I mean, sometimes it was just being done on a person -- I do not know -- who was going to be discharged prior to the expiration of their term of service. But it was always considered to be just as honorable as any discharge that would have HO, NOR, et cetera, on it.

So it is a very significant point that you make, and I would hope that you gentlemen would really study that and take a position on it and let us know how you feel about it.

I do want to thank you on behalf of the Committee and on behalf of you and all of the people in the audience, many of whom who have traveled up here to this cold weather because of the role that you play.

I know I talked to a few of you before we started the hearing and made the comment that an awful lot of people back there kind of take you for granted and do not realize the role that you really play. They think that some of these benefits that they get, whether they are adequate or not, is beside the point for the purposes of what my statement is. But they think a lot of these benefits come from man or from heaven and they do not realize the hard work that you all put into it. So I want to commend you.

I did want to commend particularly Mr. King for his emphasis on a Flag Protection Amendment. Whereas all of the issues are very important, I am not sure that too many of them are more important than that one because it is a foundational type of thing.

Retention of nurses, I think you know, that the Committee has really put a lot of emphasis on that over the years. And, in fact, we have a hearing scheduled coming on that. And as I said, you are quite right, Mr. King. There should be more emphasis even placed on that.

This is my 24th year on the Committee. It has always been basically the same regardless of who the President is, who controls the Congress, whatever the case may be. We are talking about the Presidents budget as a negotiating tool. It has always been treated as such. I do not know whether the Administration, which Administration it is, treats it as a negotiating tool or not, but we always have because we have never accepted it. And, you know, it is a very tough proposition, sometimes tougher than others. But in any case, that is what I have been telling my veterans back home and I believe in it very sincerely. It is just a negotiating tool and there is no way that we are going to go along with all aspects of the Administration's budget, at least as far as I am concerned.

There are so many things here and I have been taking notes. Seam-

less transition, by the way, again, I appreciate all of you for mentioning that. That is very significant. As you know, I chair the Oversight Subcommittee. And seamless transition and IT, improving IT, particularly between the VA and the Department of Defense, they are a big emphasis on our parts. And it is a shame that we have not really done better in those areas, particularly in IT.

But we have a field visit scheduled, the Washington VA Mdeical Center here so that we can sort of study seamless transition up there, but with a particular emphasis on IT. And I would hope that we get some members from both sides of the aisle who would go with us. It is scheduled early in the morning. It should not interfere with much of anything else.

I wanted to ask, regarding claims, we know that if a claim is submitted in a relatively decent way -- by that, I mean basically the questions are adequate and that sort of thing -- we know that if that claim is done well at the outset, it is going to expedite the claim through the process. And we depend an awful lot on the service officers, the post service officers for that.

So I am going to ask you, do you all play a role in communicating with your post service officers in terms of -- are they up to date in terms of helping people to file claims and that sort of thing?

MR. ROBERTSON. Mr. Chairman, The American Legion, yes, sir, very much so. Matter of fact, we put out publications that give updates on decisions by the court, et cetera, et cetera.

As a matter of fact, in the next week, we are going to be starting a Department Service Officer School here in Washington, D.C. -- we also have one in the spring in Indianapolis -- to bring in folks, to bring them up to speed for their state on, you know, different changes in the law and decisions.

MR. BILIRAKIS. Do you anticipate a good response?

MR. ROBERTSON. Oh, yes, sir. We always have a packed house.

MR. BILIRAKIS. Who pays for their expenses?

MR. ROBERTSON. Usually it is split between the national organization, the state that they come out of. But there is a great deal of emphasis done on that because we recognize --

MR. BILIRAKIS. Now, Steve, are we referring now -- I know that the VA has service officers in various regions. That is significant obviously. But I am talking about that post guy, the guy down at the post level.

MR. ROBERTSON. Yes, sir. It is a train-the-trainer type program where we are training people to go back and do much broader training at the local level. And, again, we are always available with e-mail and telephones to answer any questions that anybody may have. But we stress the importance of the case development to the best extent possible.

MR. CULLINAN. Mr. Bilirakis, similarly, the VFW, we have ongoing

training. We have four major training conferences a year. That is, of course, for the department and district-level service officers.

We also take the train-the-trainer approach in disseminating the information to include what is going on in the courts, new decisions, changes in the regulations, interpretations of regulations, and so forth. So we pay a lot of attention to that.

MR. BILIRAKIS. What do you think about the quality of the post service officer at the post level?

MR. CULLINAN. They have come a long way. I can speak for the VFW. Our post service, some are better than others honestly. But in general, we have seen a lot of improvement in their ability to assist the veteran processing a claim.

I forget the exact statistic, but generally speaking, there is a significant advantage to a veteran going through a service officer to include a post service officer with respect to the eventual outcome of the claim including both timeliness and allowance. And it is a significant advantage. So just looking at that alone, we have seen the improvement.

MR. BILIRAKIS. Just maybe a brief comment from the other two, Mr. Chairman.

Mr. King.

MR. KING. I think we all have pretty much the same thing. Generally our post service officers would take a claim and then they would turn it over to one of our professional service officers either as a department employee or a national employee.

But the post service officers are trained as to what information they need to get from the veteran, set up a POA, and such as that. And, yes, we do train-the-trainer training. I guess we all do that same thing.

MR. VIOLENTE. Mr. Bilirakis, DAV does basically the same thing. We do provide training for our chapter and department service officers. We do provide an incentive for them to send their service officers to this training.

We also require our chapter and department service officers to assemble the information, but then provide it to our national service officers for them to pursue the claims.

MR. BILIRAKIS. Just very quickly, what percentage of claims are initiated by post service officers? Do we know that? Do we have any idea?

MR. ROBERTSON. I think that would be very hard to do.

One other point that I think should be mentioned is we are facing the same attrition problems that the VA has. We have got a lot of our older fellows are now passing the torch on to the next generation and there is always a learning curve that has to take place.

But I think the technology that we are using to get the information out is really paying big dividends. And we got a lot of kids that are

coming up as service officers that are computer smart and probably are learning very fast.

MR. BILIRAKIS. Okay, great. I commend you for all that you are doing in that regard. But I also commend for your attention to that because I think we know that it would help the claims processing greatly if it initiates in a pretty good fashion.

Thanks, Mr. Chairman.

THE CHAIRMAN. Thank you, Mr. Bilirakis.

Mr. Filner, you are now recognized.

MR. FILNER. Thank you, Mr. Chairman.

Before I start with questions for the panel, Mr. Chairman, in your opening statement, as you have before, you used the words "core veterans." Can you define that for me. I have not been able to find it in any legislation that we have passed. I would yield to you.

THE CHAIRMAN. Well, when I first became a member of The American Legion, The American Legion discussed very often about the core veterans. This is not something I made up. It is something I learned from my parents. My grandfather was a Legion commander. My father was a district commander. My mother was an auxiliary president for the State of Indiana.

MR. FILNER. So the core veterans are leaders?

THE CHAIRMAN. Would you like to quibble or would you --

MR. FILNER. No. I want to know what it means because you obviously take it very seriously, but I still don't have a definition of it.

THE CHAIRMAN. You know, Mr. Filner, I will allow you just to ask questions.

MR. FILNER. Well, I guess I think that is why you want to close these hearings to large numbers of people. You gave an eloquent introduction to our panel but, I suspect they do not fit into your classification, half of them at least, of core veterans. I suspect you are excluding half of the people in this room and in the rooms that will fill up later. I do not recall the name of the Veterans' Administration being the Core Veterans' Association. I do not remember any of the speeches that talk about core veterans.

Mr. Bilirakis, you thanked people for rescue efforts in Katrina. You did not say the core veterans. You were referring to everybody. And we did not rescue core people from the floods. We rescued people who were suffering.

So I do not know what you mean, but it seems to leave a bad situation for the Veterans' Administration and for the funding of it. It sounds to me like you are excluding sevens and eights as priorities which is 25 percent of who we are serving right now.

So if that is who you are referring to, just tell us. If you want to force them out, let us be out front and say that because you are referring to an awful lot of veterans. And I do not think the VA, or any legislation we pass made that distinction and we should not be mak-

ing the distinction.

Every time I hear you say that -- I do not know how the people in the panel take that, but it seems to me it throws out an awful lot of your members from that definition. So if you would ever want to define it for us, Mr. Buyer, I would be happy to hear it.

To the panel, the Independent Budget, as you defined it today for health care, is a billion point three over the Administration request. When we talked to the Secretary last week, we pointed out that his request assumed all kinds of things that probably were not going to happen, certain legislative proposals, third-party collections, management efficiencies which may not exist. I brought up a double counting of a half billion dollars. VA said it was not true, but they have not proved it to us. Not yet.

So does your \$1.3 billion, should we add all that to the underfunding or does your \$1.3 include any of that?

MR. VIOLANTE. Mr. Filner, our figures do not include any of the Administration's anticipated collections or their proposals for the enrollment fees or increased co-pays.

MR. FILNER. So we are back somewhere between three and four billion again.

But what I get most upset about, when I look at what the Administration has done, is to realize it is playing with numbers which are playing with the lives of our veterans. If they are double counting, if they are putting in numbers because they want to cover a deficit when they know legislative proposals are not going to be enacted, if they count collections that they know are not going to be received, they are deliberately underfunding veterans care. That is deliberate and that is irresponsible. It is atrocious. It is beyond the pale of what they should be doing. To play games with the health care of our veterans is just over the top.

I think they are underfunded by close to four billion dollars, which is where we were last year. And as I hear it, we are already experiencing shortfalls in certain VISNS across the nation. They have had a stop hiring or a freeze hiring again, transfer, play games with resources all over the place.

So, you know, you have complimented the Administration of discovering this underfunding, but they are back to where they were again, exactly where they were, maybe even worse. Even if you take them at face value, they do not add the inflation. But if you then put all these game playings that they are doing, it is up around four billion again.

So we are going to go through these same games and people are going to argue, 1.3 is wrong. It is 1.2 or 3.8 -- and as you pointed out, we would not have to play these games with mandatory or assured funding.

And the most important proposal that we keep ignoring because of

one member of the majority party, the Chair of the Ways and Means Committee, is the Medicare subvention or the use of Medicare as a third-party resource. That, as you pointed out, could be a tremendous help to the VA, not the core VA, but the VA.

I do not know why we do not take that more seriously. If the Chairman of the Ways and Means Committee does not like it, well, he does not like it. But we have all got to say what we think is best for our veterans.

So I think this Committee ought to carry that to the floor of the House and have an up and down vote on it.

THE CHAIRMAN. Mr. Miller, you are now recognized.

MR. MILLER OF FLORIDA. Thank you, Mr. Chairman. I have a statement I would like to enter into the record.

THE CHAIRMAN. Hearing no objection, so ordered.

[The statement of Jeff Miller appears on p. 63]

MR. MILLER OF FLORIDA. Mr. Cullinan, in your testimony, you talked about VBA's performance for timeliness and the accuracy of compensation claims. VBA has a goal of 145 days. Their accuracy rate according to them is 88 percent.

Do you think these are reasonable and, if not, what does your association consider reasonable attainment goals?

MR. CULLINAN. Well, our view is that the VA's stated goals are laudable, but it is very unlikely that they are going to achieve them. They are reducing the staff available to ensure both timeliness and accuracy of claims processing.

You have a retirement, baby boom retirement looming on the horizon with respect to adjudicators and other people working within the compensation area. We are all aware that unlike a lot of other areas, adjudicators are one of the best examples, need to be trained. It is not a profession for everyone. It is very demanding. It is tiring at times. It takes a lot of time to get a person up to speed in that area. I think the dropout rate is about twice as high among adjudicators as other parts of the VA.

So what that means is you have to bring people into the system, get them up to speed, properly trained, and operational now and not sometime in the future. And reducing the amount of people going into the compensation work in the area is going to be disastrous.

The VA came out -- what was it -- their morning report. The claims backlog is increasing. There are those who believe it is going to be up to about 900,000 in the not-so-distant future. This is a very serious problem and it is not getting any better.

So the stated goals of VA are fine. Are they going to achieve them? We cannot see how that is possibly going to be the case.

MR. MILLER OF FLORIDA. Okay. Mr. Robertson, you talked about a majority of the claims involve multiple issues that are legally and

medically complex and time consuming to adjudicate. And for all of you here, I cannot imagine what a veteran would have to go through if they did not have the ability to go through and use your organizations to help them with the filing of their claims.

Do you see, and I will ask it to any of you, do any of you see the ability of bringing, if a veteran chooses, bringing an attorney in at an earlier stage, because it is apparent that once an attorney is brought in, the claims rates go way up, I mean, because it appears that once everything is fixed from a legal perspective that things move along progressively?

Do you see any good in bringing an attorney in if they choose to do so? And I am not saying they should have to do that. I am just saying if they chose to do that because right now they cannot.

MR. ROBERTSON. Thank you, Mr. Miller.

It is a very difficult question because of the fact that there is really nothing to compare the VA claims and adjudication process to. You cannot easily compare it to Social Security, that if you file a Social Security disability claim, you know, the time that that is awarded because, like you said, many of these cases have multiple claims or disabilities that are being identified. There has got to be the connection between military service and the injury or the condition.

So, you know, bringing an attorney into it, I, with all due respect to attorneys in the room, I do not think that that would help the problem. It would probably create more problems.

The accuracy rate on decisions, if the case is appealed, that throws it into a whole other waiting queue, I think that the accuracy of processing the original claim, the case development, that will help speed it up.

Obviously military records is the big key. I know from my own personal experience in the Gulf War, I was going to sick call every ten days because of a medical condition that I had, but nowhere in my National Guard military records for active duty service is there one piece of paper reflecting that I went to sick call. But I can get everybody in my platoon to verify that I had these medical problems and that I was going.

That is part of the problem. The onus of proving that you were in the theater, the onus of proving that you got the inoculation, the onus of proving you were given the pteidotigmine bromide tablets, all of that is an onus on the veteran if it is not in his medical records. And, you know, that is part of the problem. This is not a check one or two and then send in the answer type process. It is much more complicated.

Where I disagree is that if there is a tough decision, I would choose to err on the side of the veteran because I do not think veterans just make this stuff up hoping to get compensation. I do not know of anybody that goes in the military and you ask them why they go in

and they look at you and say so I can get disability compensation for the rest of my life. They want to serve their country. They want to do their job. They want to come back and spend their life with their families.

So in answer to your short question, I do not think a lawyer would help any earlier in the process because it is kind of like legislation. You do not want to see it being done.

MR. MILLER OF FLORIDA. The light is blinking. If I can get, I guess, quickly.

MR. VIOLENTE. I would just like to mention DAV would be opposed to allowing attorneys in the system. We do not think it would benefit the system. It would benefit attorneys certainly.

I think you can look at the statistics at the Board of Veterans Appeals where attorneys are allowed to represent veterans and you will see that their allowance rate is not any higher particularly than the DAV's or any of the other Veterans Service Organizations.

MR. MILLER OF FLORIDA. Thank you, Mr. Chairman.

THE CHAIRMAN. Thank you, Mr. Miller.

MS. HERSETH, you are now recognized.

MS. HERSETH. Thank you, Mr. Chairman. And I want to thank all of you for being here today, for the testimony that you have presented, your views on the budget and the concerns that you have raised.

A couple of initial comments. I certainly share the concern that you have and I think many members of the Committee have about the Administration's budget when it is proposing measures that the Committee and both chambers have repeatedly rejected.

And I think that it is disingenuous at best then for the Administration to suggest that, well, we have increased the overall budget and then not say by assessing charges on veterans themselves to make them pay for increases in spending on the their health care needs as opposed to asking the entire country, all citizens, to help meet the health care needs of veterans around the country.

So I think you will again see a rejection of those proposals. And we will have to find the resources that are necessary, that are warranted, that should be warranted year after year, to meet not only benefits in health care but other benefits.

And speaking to that, Chairman Boozman had a hearing yesterday with the Economic Opportunities Subcommittee for which I am Ranking Member. And I appreciate the comments that you made today about the various programs under the jurisdiction of the Subcommittee and specifically noting that the Independent Budget addresses the Specially Adapted Housing Program. I am glad to see that is among your legislative priorities. And I plan to introduce legislation in the days ahead to increase the Adaptive Housing Grant and look forward to working together with you to meet the housing needs of our disabled veterans.

I have just one question and it focuses on long-term care. And I posed this question to Secretary Nicholson and Dr. Perlin as well last week. And you note the need for a long-term, strategic plan to meet the long-term care needs of our veterans.

And as I am sure you are aware, as part of the fiscal year 2006 Military Quality of Life VA Appropriations Bill, the VA is required to develop a plan with stakeholders to gather information about long-term care and assisted-living needs. That is a requirement that was just enacted.

Have any of you or the organizations you represent yet been contacted by the VA with regard to developing this plan?

MR. ROBERTSON. We just know it is supposed to have been done and it has not been done. And we applaud Mr. Stearns when he put together the Millennium Health Care Act, that we agreed with him one hundred percent. We felt at that time that if there was not a benchmark that there would be a loss of those inpatient beds.

We were very concerned when the CARES process was underway, that they took out mental health and long-term care as part of that process. We raised cane about that and tried to bring it to the attention of members, that it is hard to make decisions on the infrastructure when you are taking out two critical parts of the formula.

We understand that the mental health portion, I think, has been completed and now they are working on the long-term care portion. But we strongly believe that that is an element of this system that needs to be focused on and the law needs to be complied with. That is pretty much where The American Legion comes from.

MR. CULLINAN. I am not certain that we have been contacted yet with respect to this issue, but we certainly share the concern that -- we testified to this extent last week before this Committee -- is that long-term care has not been addressed under the CARES plan, that there has been the diminishment of VA's own capacity in that regard. And it seems to be something that is not being given the attention that is required.

MR. VIOLANTE. I agree with my colleagues. I do not recall having any formal conversations with VA. We certainly have let them know what our position is and we are concerned about where they are going.

MS. HERSETH. Well, thank you all.

And I would just ask the Chairman, this is within our whole care system, I just do not think the country is ready for what the long-term care needs are going to be of our nation's veterans let alone our parents and grandparents. And I would just ask to work with you and the rest of the Committee to make sure that the strategic plan is developed, that we stay on top of that in our oversight, that stakeholders like the organizations represented here today are a part of that process as is required, and that we work in making that a prior-

ity to figure out the best way that we go about meeting those needs and reviewing and offering our input into what that strategic plan would be.

MR. ROBERTSON. Ms. Herseth, if I may add one other comment. A message that I have heard repeatedly from our greatest generation veterans in need of long-term care is that when they were making their post employment-world decisions, they knew that VA had the capacity to take care of people in need of long-term care. And they thought that that was something that if they ever needed it, if they lived that long where they needed that service, that the VA would have it.

So they did not go out and buy these other packages for long-term care and now they are at a point of their life that if they went out and tried to purchase such a package, you know, it would not be cost effective. So, you know, in part of their life expectancy planning, VA was a very vital part and to have that disappear is pretty tough for a lot of them right now.

THE CHAIRMAN. Ms. Herseth, appreciate your contribution.

Dr. Boozman now recognized.

DR. BOOZMAN. Thank you very much, Mr. Chairman. Again, it really is good to have you here.

As Ms. Herseth said, we had an excellent hearing, I think, yesterday. And certainly the Independent Budget has been very helpful as we look at our Subcommittee and try and sort things out.

One thing you mentioned, Mr. King, about the TAP Program. And last year, our Subcommittee, myself, Ms. Herseth, looked really hard at a seamless transition as these folks are transitioning back. And I agree with you. I think the program does a good job from what we were able to determine.

The percentages that you mentioned, you know, I agree with you totally. I think that is something that we need to get up higher. It is a little harder. The Guard situation, you know, being in the Guard, it is a little harder to, you know, figure out exactly how to get that done with them because, you know, you have got these folks that are fairly independent.

We went to New Hampshire, looked at best practices there and things. But, in fact, I would even go a step further. I think it is important that not only do they need to have to have it done, you know, and be participants, but I would suggest that during different phases of their career, they need to have it done.

A guy that is going to be in there for twenty years, there is a lot that he can learn, you know, from a program after five, ten, fifteen years as far as preparing him, you know, to get out and serve.

Now, we have had a little resistance, you know, that maybe when you present these facts to individuals, you know, that you are going to have a retention problem. You know, after being around it, my thing

has been just the opposite. You know, many of these individuals do not realize, you know, the benefits that they are getting. And they will say, gosh, you know, we had not heard about this since we were recruited. So I think we are on the right page.

The other thing, and then I will let you comment, but the other thing is that we really do -- I want to compliment you all and Mr. Ondick, the Ohio Department on the AMVETS career center. That is a stellar place.

And the other question I would have is, do you have any plans to expand that program to other states?

MR. KING. First of all, on the transition assistance, Congressman, I appreciate what you are saying, that the National Guard or Reserve units may not have as much of an opportunity for transitional assistance. However, when a unit has been deployed and they come back home, they do have some post-deployment meeting and conference. And that would be a good time to work with the transitional assistance there.

As far as the AMVETS career centers, as I stated before, this one we have in Ohio is run by the Department of Ohio. The Department of Illinois is right now looking at doing the same thing within its department and hopefully some of the other departments could expand it. It is a lot of help to a lot of veterans.

DR. BOOZMAN. Thank you, Mr. Chairman. I have still got a second left.

You mentioned, Mr. Violante, increasing the FTEs on education service by 100 and 200 on the Voc-Rehab and Employment service. What do you envision? What is the reason behind that specifically? What would you have those folks be doing?

MR. VIOLANTE. What was the purpose behind our increase in those? Well, I think for Vocational Rehabilitation, there was a Commission or a Task Force that established the need for, if I remember correctly, several hundred new FTE for those programs to ensure that not only are they being provided with Vocational Rehabilitation, but then once they receive that, they can get into the Employment area too. And I do not think the current request is sufficient enough to handle that.

And I am sorry. The second part of that question was for what?

DR. BOOZMAN. The 100 for the Education service and then the 200 for the Voc-Rehab and Employment.

MR. VIOLANTE. Right. And for Education, again we have a lot of veterans that are coming out of the military will be using their educational benefits and we want to make sure that they receive those in a timely manner. And that is what the need was for.

DR. BOOZMAN. Thank you very much.

THE CHAIRMAN. Ms. Berkley, you are now recognized.

MS. BERKLEY. Thank you, Mr. Chairman, and thank you, gentlemen, for being here again. It is always a pleasure to see you and

thank you for the hard work that you do on behalf of the veterans of this country.

I was at Walter Reed a couple of weeks ago. I met with a young lieutenant. He lost an arm and a leg. And the arm and leg that he still has attached are not working very well. He was there with his young wife and his dad who had been a school teacher for 35 years before he retired. This soldier, this lieutenant, wanted to talk to me about the men he left behind and that he lost. And that is the caliber of soldier that we have fighting for this country.

So with all due respect, Mr. Bilirakis, and I have never done this before, I want to disassociate myself with your comments that the Administration's VA budget is just a negotiating tool because if it is only a negotiating tool and we are going through this process knowing perfectly well that that budget is dead on arrival and the provisions in there are next to useless, then why are we going through this exercise and ought we not stop using our veterans for these type of legislative games?

We know how many veterans we have. We can estimate how many we are going to have. We know the cost of care. So why don't we get beyond the game playing and the negotiating tools and do what is right by our veterans?

Now, I talk to my veterans all the time. I know they were opposed, and should have been, to the enrollment fee that was proposed last year in last year's budget. They are opposed to increased prescription medication co-pays. Most of my guys back in Las Vegas cannot afford them. And we worked very hard collectively, Republicans and Democrats, to get it out of last year's budget.

So imagine my dismay, and I can only imagine yours, when this year's VA budget came back with the same stuff when we know perfectly well it is not going to be agreed to by this Congress, Democrat and Republican alike.

So to me, I find it most disingenuous of the Administration and the VA Secretary to sit where you are now and tell us that they have a budget that is based on about \$700 million worth of fees that they will never be able to realize.

And I find it shocking that the President's budget boasts that these fees are going to discourage more than 200,000 veterans from using the VA for health care. To me, that is despicable. We should be encouraging our veterans to use the VA for their health care needs.

Now, we know last year we went through the same exercise, and I recall members of this Committee asking the VA Secretary and his fellow administrators if what they were proposing to us was enough. And they assured us that it was.

Needless to say, it was terribly embarrassing for this Committee, terribly embarrassing for this Congress, certainly embarrassing for the VA when they had to come back six months later and ask for

almost the exact amount of money that was set forth in the Independent Budget. I would hope that we could do better by our veterans than that.

And I share the concern that you have with the growing backlog of veterans' claims. I am beyond concerned that without adequate funding, this backlog is going to grow. And it does not take a genius to figure this out. And cutting 149 staff members at a time when we are at war and there will be more and more claims as years go on defies imagination to me. I cannot even begin to understand this.

Now, the United States is paying five billion a month, a hundred thousand dollars a minute for operations in Iraq and Afghanistan. And I think as Ms. Herseth said, we are not at all prepared, the VA is not at all prepared for what is coming. We are going to be deluged, deluged with members of the military that are coming home. They are going to be our veterans. They need to be taken care of. And we need to be planning for that now and I am afraid we are not doing that.

In the very short time I have left, what additional resources do you think the VA needs to meet its claims processing workload, not only the processing, but to improve the accuracy because I agree with you it makes no sense to put more claims in and have the remand rate go even higher than it is? And Nevada has the fourth highest remand rate, so I know what I am talking about.

Second question is, can you suggest to us what systemic deficiencies need to be corrected in order to adequately process claims?

MR. VIOLANTE. Well, first, in answer to your question about the numbers, as I mentioned, for C&P service, we are looking at roughly 10,820. The President's proposal is 9,445. So it is a considerable number that is needed for claims processing.

The systemic problem, I think we have talked about this time and time again. It is the lack of proper training. It is the lack of accountability. It has been insufficient FTE levels over the years that have kind of eroded their ability.

We would certainly love to see not only the FTE levels come up but also VA to do some training and for Congress or someone to put some type of accountability standards in there so VA can get these claims right the first time.

And as Mr. Miller was talking about earlier, you know, there is both processing time for the claims and accuracy. And certainly I think we would like to see the emphasis be on accuracy because I certainly would rather get a correct claim in 180 days than an incorrect claim in 90 days.

So if we can correct the training problems, the accountability, and a proper level of FTE, I think we will be on the road to success.

MR. CULLINAN. Congresswoman Berkley, I would certainly agree with what my colleague just said.

And I think something else that might be looked at, VA has an awfully hard time hanging onto its adjudicators. So it may be that their GS level is not quite high enough. It is a tough job and it takes a very special sort of person to do it. So perhaps that is something that needs to be looked at.

Ms. BERKLEY. You are seeing a certain amount of burnout if that is --

MR. CULLINAN. Yeah. There is burnout. And the thing is they can do better elsewhere financially. For the skill level that is required to be a good adjudicator, they can go somewhere else, a lot less stress, a lot less tedium, and make more money.

MR. ROBERTSON. And another part of that, as Joe mentioned, you really cannot buy experience. One of the things that The American Legion has been asking is, if Voc-Rehab when they are rehabilitating our guys and gals that are coming back from overseas, if they are encouraging them to look at a career as a claims adjudicator within the VA system.

It would seem the veterans have a vested interest in taking care of their buddies and would, I think, make the claims process a career as many of the people that came back after World War II. What did they call it? The Class of '46. They were a bunch of World War II veterans that were in the system for an extremely long period of time. That may be what we need are more disabled veterans that are being attracted to that career field.

Ms. BERKLEY. In your objective opinion, do you think that the veterans' budget that was submitted by the Administration is adequate to meet the needs of our veterans in this country?

MR. ROBERTSON. No, ma'am. We testified to that last week. And we think it fell short. We applaud the work between OMB and the VA. At least this time, they included the returning veterans, a more accurate reflection of how many returning veterans from OEF, OIF would be coming to the system. But we still see that it is short.

MR. CULLINAN. We testified with respect to the construction portion. That is clearly short. For the rest, it is a lot better than it has been in recent years. Does it come up short? Yes. Will it allow, for example, category eight veterans back into the system? No, it will not do that. So it is a mixture of good and bad.

Ms. BERKLEY. Okay. Thank you.

MR. KING. I agree. The budget is still, as we said before, over a billion dollars short in our opinion. The only thing I saw as an increase in it was on mental health. And I do applaud that because it is needed. PTSD is something that seems pervasive throughout all veterans, World War II, Korea, Vietnam, Gulf War. And seeing an increase in mental health care is good, but the rest of the budget is still inadequate.

MR. VIOLANTE. And I would go with that, that there is some room

for improvement.

In Mr. Bilirakis' defense, I would like to say, though, that every Administration always starts off low. Unfortunately, sometimes it is the sub-basement. Other times, it is the first floor.

It is very unfortunate that for any Administration, veterans are not a priority, making it a little easier on members of Congress to find, you know, a smaller amount of resources necessary. But, again, this budget is lacking not as bad as the last several years.

Ms. BERKLEY. And in conclusion, I hope that we will reinstitute our joint hearings. I found them wonderful. And I know the veterans that came to our nation's Capitol from the great State of Nevada just loved coming and enjoyed the pomp and the circumstance. And I miss it too. So I hope we will do that again next year.

Thank you very much, Mr. Chairman.

THE CHAIRMAN. Thank you.

Gentlemen, thank you very much for your testimony.

By way of process, the Committee will be receiving testimony of 19 Veterans Service Organizations and Military Service Organizations between now and tomorrow. Both parties will have an opportunity to caucus prior to our business meeting.

The business meeting on views and estimates will occur on Thursday at three o'clock. And then we break. But next week, we are required to present our views and estimates to the Committee.

So this is a very fast train. And receiving your testimony ahead of the time before doing these views and estimates has never been done before before this Committee. And this is valuable input that we have never had before.

And so I want to thank you for your participation and the professional and substantive way in which you delivered your testimony today.

Mr. Violante, if you could be helpful to the Committee. You made a pretty generalized statement. You could be far more helpful to us if you could provide us with some specifics when you said, "Hearing from the field."

So all of us should do our travels. And also with regard to that, in that statement, if you could then provide us some greater detail where that is said, I would appreciate that. Not now. If you could do that to us in writing, I would appreciate that.

MR. VIOLENTE. That is impossible because they try to be candid other times that I want to be acknowledged.

THE CHAIRMAN. Well, where you can be specific, please do.

Thank you very much. This panel is now excused.

I would like for the second panel to please come forward.

For the second panel, we will receive testimony from Colonel Herb Rosenbleeth as representing the Jewish War Veterans. Colonel Rosenbleeth enlisted and served five years in the United States Ma-

rine Corps Reserve. He was discharged as a Lance Corporal. He then served another 26 years as a commissioned officer in the United States Army.

His overseas assignments include Vietnam, Iran, and ultimately Director of Program Review and Evaluation of the Office of Secretary of Defense.

I would like to thank you, Colonel, for your service to country and your presence here today.

Representing the Blinded Veterans Association is Mr. Tom Miller, the Association's Executive Director, a Marine Corps veteran. Mr. Miller was blinded as a result of combat injuries in Vietnam and medically retired as a first lieutenant in April of 1968.

After unsuccessful eye surgery in June 1968, Mr. Miller enrolled in blind rehabilitation at the Hines, Illinois VA Hospital in August 1968 and graduated that November. He was appointed as Executive Director of the Blinded Veterans Association December 19th of 1994.

We will also hear testimony from Sergeant Major Gene Overstreet who is here representing the Non Commissioned Officers Association of the United States. Sergeant Major Overstreet has a had a long, illustrious military career serving our nation in the United States Marine Corps from 1966 until his retirement in June 1995.

He is a Vietnam veteran and is the 12th Sergeant Major of the Marine Corps. He accepted the presidency of the Non Commissioned Officers Association on August 22nd, 2003.

Does Sergeant Major "Gunny" Lee owe his successes to you?

SERGEANT MAJOR OVERSTREET. Say that again, sir.

THE CHAIRMAN. Does Sergeant Major "Gunny Lee" owe his successes to you?

SERGEANT MAJOR OVERSTREET. Absolutely, sir.

THE CHAIRMAN. I should not say sergeant major. "Gunny" Lee is always in my mind. Sergeant Major Lee. He does?

SERGEANT MAJOR OVERSTREET. Well, I would not know about that. He followed me into that. He worked for me a couple ways along the way here, sir.

THE CHAIRMAN. I will bet. He is always a "Gunny" to me.

SERGEANT MAJOR OVERSTREET. Absolutely, sir.

THE CHAIRMAN. I cannot get it out of my mind.

We also have Mr. James Randles, the 2005, 2006 National Commander of the Military Order of the Purple Heart. He spent his Army career as a tanker serving in various positions in armored and CAV units. He commanded G Troop, 2d Squadron, 11th Armored CAV Regiment in Vietnam. It was during this command that he was wounded and eventually evacuated to Fort Lewis, Washington.

We will also hear from Mr. McNeal, the Executive Director of the Paralyzed Veterans of America. Mr. McNeal assumed his duties at PVA on October 1, 2001. He is a Purple Heart recipient, combat-in-

jured Vietnam veteran. He has been a PVA member since the early 1970s. PVA cosponsors the justly famous Annual National Veterans Wheelchair Games. This year's games are being held in Anchorage, Alaska in July.

Gentlemen, we thank you for being here today.

And, Colonel, you are now recognized.

**STATEMENTS OF HERB ROSENBLEETH, NATIONAL EXECUTIVE DIRECTOR, JEWISH WAR VETERANS; TOM MILLER, EXECUTIVE DIRECTOR, BLINDED VETERANS ASSOCIATION; DELATORRO MCNEAL, EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; GENE OVERSTREET, PRESIDENT/CEO, NON COMMISSIONED OFFICERS ASSOCIATION; JAMES RANDLES, NATIONAL COMMANDER, MILITARY ORDER OF THE PURPLE HEART**

COLONEL ROSENBLEETH. Thank you, Mr. Chairman. Mr. Chairman, I request our organization's statement be made a matter of record, but I am not going to read any of it. I am just going to --

THE CHAIRMAN. Will you turn on your microphone, please, Colonel.

COLONEL ROSENBLEETH. There we go. Is that on?

THE CHAIRMAN. Your written statement will be submitted for the record without objection.

**STATEMENT OF HERB ROSENBLEETH**

COLONEL ROSENBLEETH. All right. I am not going to read any of it. I am just going to make some remarks.

First and foremost, our organization agrees fully with the statements presented, the four statements presented before me. And I know that we will be supportive of the statements coming after us. We are all veterans. We all served in the same military and we all seek the same care for veterans.

I would also like to express a big thank you to Mr. Bilirakis and Rebecca Hyder. It was quite a while ago, I remember one day in your office where we talked about concurrent receipt. You summoned a bunch of us. I think you and I are the only two left from that group. But I thank you for your work.

While we did not get everything we wanted, Mr. Bilirakis, you did a great job and I appreciate that.

And I want to thank Jim Holley for much support that he gives our organization and to me, and Mr. Filner for coming out to our convention, being brave enough to speak before our convention one year recently. I thank you for that.

Our National Commander has a saying. He says never leave any veteran behind. And that is any veteran. And I also heard the word

core veteran. I picked up on that also. And we want no veteran left behind, whether he's a seven, whether he's an eight, whatever it was. We all served. Some people were wounded. Some people suffered no injury, no illness. But we are all veterans. We all served and we want to see -- our organization stands for mandatory funding for the VA and for care for all veterans. No line there.

Is the VA adequately funded? Absolutely not. I cannot figure out what the shortage is, but clearly it is short when veterans cannot all receive care. No question. And we ask, we look to this Committee, Mr. Chairman, and your leadership and the Committee's leadership to have the VA adequately funded so no veteran is left behind. That is the one point I want to make.

My second point would be we want the joint hearings. Our organization goes to an annual convention every year and they laboriously go over their resolutions. The Chairman reviews this with them. The whole convention adopts the resolutions after much arguing and bickering and fine tuning.

They look forward to coming in March to a joint hearing with the Senate and House Veterans' Affairs Committee and hearing the National Commander present the priorities they developed. They all want to be in the room. They all want to cheer and yell and be there with their comrades. And they want to see the Commander make the presentation and they all want to hear it. And I very strongly ask, request that these hearings be continued in the way they had been for decades.

And my concluding remark is, please, never leave any veteran behind. Thank you.

[The statement of Herb Rosenbleeth appears on p. 150]

THE CHAIRMAN. Mr. Miller.

If you'd help the gentleman, please.

#### STATEMENT OF TOM MILLER

Mr. MILLER. Thank you, Mr. Chairman. On behalf of the Blind-ed Veterans Association and our National President, Larry Belote, I want to express our appreciation for the invitation to present our 2006/2007 legislative priorities today before this Committee.

I would like to thank Mr. Evans as well, and would like to echo the comments of Colonel Rosenbleeth in commending Mr. Bilirakis for his many, many years of dedicated service on this Committee and the Godfather, if you will, of concurrent receipt. And no one has ever accused Mr. Bilirakis of not being persistent.

We are going to miss you. And, again, we thank you and your terrific staff for all your support over the years.

As I begin, Mr. Chairman, I am probably the only witness that can

tell there is a full Committee sitting up there. But I want to start with some comments relevant to seamless transition. There has been a lot of discussion on that issue with the previous panel and I know the hearings last week.

But I would like to be a little bit more focused in terms of the good news and the bad news from our perspective with regard to the seamless transition for those servicemembers returning from OEF and OIF that have suffered significant eye casualties.

The good news is those that come back totally blind or severely visually impaired, the seamless transition works. They are referred to VA here locally. They receive services from a blind rehabilitation outpatient specialist during their stay here at Walter Reed or Bethesda. And then they are referred on to one of the VA blind rehabilitation centers across the country.

The bad news, however, is for those servicemembers returning, and we are aware of at least 80 and that number seems to be growing, who have lost one eye or the vision in one eye, these individuals, we believe, are in danger of falling through the cracks. They are not receiving comprehensive low vision evaluations to determine the extent, if any, of visual impairment in their remaining eye. Many of these individuals are, in fact, being told if a resident or an ophthalmologist holds up fingers in front of their face, if they can count fingers, they are not blind.

We are particularly concerned about those servicemembers from the Guard and the Reserve who will be returning home and will not have access to the appropriate vision rehabilitation services that they may very well need for a lack of a comprehensive low vision evaluation at the time of their hospitalization, whether it be at Walter Reed or Bethesda or any of the other military treatment facilities across the country who are receiving casualties from Iraq and Afghanistan.

What is even more disturbing, I think, in this regard is the fact that the Army, we know for sure, has absolutely no centralized tracking system to know how many of these individuals there are and where they are. We have been unable to find out what the Navy does in this regard.

We have been told for over the last six months that Bethesda has not received any eye casualty patients. It is very difficult to believe given the number of Marines that have been wounded severely in Iraq due to IEDs and other explosive devices and the nature of the wounds that have been suffered by these Marines and soldiers in theater.

I would like to segway the concern about the servicemembers coming back who have lost vision in one eye only or lost the eye completely into a request for support for legislation that has been introduced by Representative Baldwin from Wisconsin. I am referring specifically to House Resolution 2963, the Disabled Veterans Equity Act of 2005.

This legislation addresses what we believe to be a serious inequity in Title 38 of the U.S. Code as it relates to paired organs. VA on its own has chosen to use a more rigorous and higher degree of vision loss in determining paired organ service connection.

In the way of a brief explanation, if a veteran has a service-connected loss of one of a paired organ and subsequently loses function in the other organ, it may be service connected as well, treated as though it were service connected.

For those servicemembers returning or older veterans who have lost one eye and subsequently later lose vision in the remaining eye, the legal standard for blindness accepted by VA and all other areas of VA and by the Social Security Administration, IRS and, for the most part, internationally, that standard for legal blindness is not applied in the paired organ section of the Title 38.

VA has opted to use a higher degree of vision loss with respect to service connecting that non-service-related eye. We would encourage and hope that each member of this Committee would cosponsor that legislation and that the appropriate Subcommittee would hold a hearing to explore the merits of this legislation.

Moving from the seamless transition, most all of the blinded veterans, servicemembers returning back from Iraq and Afghanistan will be moved into the VA health care system, hopefully to receive comprehensive blind rehabilitation services. Before veterans can seriously consider employment, continuing education, and reintegration into their families and their communities, rehabilitation is absolutely essential and it is the first step.

BVA will be celebrating our 61st anniversary next month. And we have been closely involved with a very, very close and effective partnership with this Committee and the Department of Veterans' Affairs in developing, protecting, preserving, and seeking innovation in VA's Blind Rehabilitation Program.

For many, many years, nearly 58 years now, the only option for many blinded veterans has been to go to a comprehensive residential blind rehabilitation center. When I went through blind rehabilitation at Hines in 1968, there were only two such centers. Currently there are ten.

Unfortunately, all veterans in need of rehabilitation services are unable or unwilling to leave home and travel hundreds or thousands of miles to attend one of these residential blind rehabilitation centers.

VA has begun to recognize GAO, the Visual Impairment Advisory Board appointed by the Under Secretary for Health, and the CARES Initiative all recognize the need for VA to expand its capacity to deliver comprehensive, high-quality vision rehabilitation services on an outpatient basis and provide those services in a local area for those veterans who, for whatever reasons, are unable to take advantage

of the residential center or, quite frankly, may not need the comprehensive residential center, yet have needs that could be addressed through provision of those services locally.

The full continuum of vision rehabilitation care which is embraced by the National Leadership Board and the Health Systems Committee of the National Leadership Board and the major governmental agencies that I have already alluded to are looking forward to and, in fact, envision full continuum of vision rehab services incorporated in the Network Director's five-year strategic plan.

The only problem with that is resources. I will address budget issues a little bit later on. But in order for VA to implement a full continuum of vision rehab services, they are going to need additional resources, new dollars earmarked -- and I know that is not a good word around here these days -- but directed funding, specific dollars to enable VHA to implement a full continuum.

Thanks to Mr. Michaud of this Committee who has introduced House Resolution 3579, the Blinded Veterans Continuum of Care Act of 2005. And this legislation would establish 75 new blind rehabilitation outpatient specialist positions located around the country where there is significant need and a lack of capability to provide outpatient services.

We believe this is an excellent first step and we want to commend Mr. Michaud for this sensitivity and, pardon the pun, his vision. It is going to be a very, very important first step.

As I mentioned earlier, every blinded servicemember that has come through Walter Reed and Bethesda Naval Hospital have received some early intervention services from the blind rehabilitation specialist who is assigned here in the greater Washington/Baltimore area.

All of the comments we have received as we visit those veterans over in the hospital and their families has been very, very beneficial to them. It has been instrumental in helping them to get some sense as to where they need to go and what is available to them through the Department of Veterans' Affairs to help them overcome the sudden and traumatic loss of vision which they are encountering.

The third issue I would like to address, Mr. Chairman, and it has been touched upon by all of the previous witnesses and I am sure the remaining VSOs and military organizations will concur, BVA is very proud to have been a member of the Veterans Health Care Budget Partnership Health Care Reform.

And we echo the statements of the previous panel that we believe the current methodology for funding VA is broken, that we believe an assured funding mechanism, mandatory funding is critical.

One of the deficiencies in the President's budget request is the amount of money that is built into that budget for management efficiencies. We believe one of the greatest ways that they can achieve

better efficiencies, more effective management is for them to know what their appropriation, what they are going to receive in terms of budget and that they are going to receive it on time, that if they can start to manage October 1 instead of February 28th or March 15th, we believe they can manage more effectively the resources that are provided.

With regard to the budget, we again for the 20th consecutive year have endorsed the Independent Budget. We believe it is a proven document. The models that are used have been proven to be effective as stated earlier. The crisis that developed last summer brought this home most clearly to all of us.

The modeling that is used by the Independent Budget Group has proven to be effective, accurate, and it addresses specific needs of our veterans, nation's veterans.

The President's budget request for 2007, we are encouraged that it is a positive step forward. Again, we feel that it falls somewhat short. We again oppose the initiatives that are included in that request requiring an enrollment fee, the increase in co-pays, the management efficiencies, various budget gimmicks that have been employed in the past and have been discounted by this Committee and by the full Congress.

THE CHAIRMAN. In summary?

MR. MILLER. We are concerned, however, and I will not belabor the problems with the Veterans Benefits Administration, we feel there is insufficient funding to make serious end roads into the current backlogs both for claims and appeals.

Another issue that we are very concerned about was the \$13 million reduction in VA medical and prosthetic research. We feel this is the wrong way to go, particularly in time of war, and with the emergence of new state-of-the-art technology that is being embraced and utilized by our returning servicemembers from Iraq and Afghanistan, and, by the way, technology that can be very beneficial to those of us getting older in order to maintain our independence and safety in our activities of daily living.

With regard to research, we made a plea last year, and I will make that again this year. We are very concerned about the fact that VA's research portfolio carries out a number of NIH funded grants. Unfortunately, however, NIH refuses to pay VA for the indirect costs of those research grants. They will pay the indirect costs to almost anyone else in this country and the many researchers overseas, but have refused to pay those costs to VA.

As a consequence, those indirect costs are coming out of the medical care account. Dollars that could be going to care of sick and disabled veterans are being bled off from the medical care account in order to support NIH research grants.

We believe a legislative initiative from a member of this Commit-

tee would be very, very helpful to address this issue. We understand that Under Secretary Perlin stated that they can make up for the reduction in the budget request by getting an increased number of NIH grants.

THE CHAIRMAN. Mr. Miller.

MR. MILLER. But they also incur the increased costs of indirect costs.

THE CHAIRMAN. Mr. Miller.

MR. MILLER. Yes, sir.

THE CHAIRMAN. If you could summarize your conclusion.

MR. MILLER. Okay.

THE CHAIRMAN. You are almost pushing the 20-minute mark.

MR. MILLER. All right. Just one last comment. I would refer you to our written statement, and I neglected to request that that be made part of the record.

THE CHAIRMAN. It will be part of the record. No objection. So ordered.

MR. MILLER. We have listed a number of legislative priorities and would request that the Committee review those carefully.

And in conclusion, I would like to thank Representative and Ranking Member Lane Evans for his introduction for the 3rd Congress of the White Cane Resolution, and would request that all members of this Committee should be cosponsors of that. It passed the House last year. Unfortunately, the Senate failed to act on it. There is a companion bill this year in the Senate, so hopefully.

We need your help to get it out of the Transportation Committee this year here in the House. It is H. Con Res. 235. And, again, a persistent Marine, Mr. Evans is. Three Congresses have introduced this and the good part is it does not cost the government a penny.

In conclusion, I would be more than happy to respond to any questions. And thank you again for the invitation to present our priorities today.

THE CHAIRMAN. Thank you, Mr. Miller for your testimony.

[The statement of Tom Miller appears on p. 159]

THE CHAIRMAN. Mr. McNeal, PVA, you are now recognized.

MR. MCNEAL. Thank you, Mr. Chairman, and members of the House Veterans' Affairs Committee.

I greatly appreciate the opportunity to present the legislative priorities of the Paralyzed Veterans of America for 2007. I ask that my written statement be made a part of the records for today's hearing.

The Chairman. Hearing no objection, so ordered.

## STATEMENT OF DELATORRO MCNEAL

MR. MCNEAL. Mr. Chairman, I sustained my spinal cord injury in Vietnam back in May of 1970. I have used the VA health care system exclusively over the past 35 years. I have been employed by the Department of Veterans Affairs, the Executive Director of PVA Chapter in Florida, and for the past four and a half years, I have been the National Executive Director for the Paralyzed Veterans of American here in Washington, D.C.

We must now more than ever rely on the VA mission statement, "To care for him who shall have borne to battle and to its widows and orphans." As one who relies on the VA every day of my life, I want you to know that my statement to you today is on behalf of ten thousands of veterans with spinal cord injuries and disease whose access to quality health care is the most important thing in their lives.

VA's ability to provide such care along with the compensation and benefit package for support of these veterans is why I am here today offering our recommendations to make the system much better.

First, I want to thank you for the opportunity to present our views last week on the Administration's budget recommendation for fiscal year 2007. I would just like to briefly highlight several matters concerning the 2007 budget which PVA feels very strongly about.

The VA medical care budget once again included collections from increased co-payments and enrollment fees. PVA vehemently oppose these proposals and encourages Congress to exclude them again this year. If this is rejected, the Department of Veterans' Affairs will start this year with an \$800 million deficit in medical care. PVA strongly recommends that the Congress appropriate sufficient funds to make up this major shortfall.

PVA greatly appreciates the fact that non-service-connected veterans with catastrophic disabilities are included in category four. Our members use and rely on the VA system at a very high rate. They require a lot of care and a lifetime of service.

One of the problems of category four for our members is that many of them must pay co-payments for their medications and their care. Mr. Chairman, for those who are severely disabled, the needs for prescriptions, supplies, and access to inpatient and outpatient care can be overwhelming and very costly.

VA is the best resource for veterans with spinal cord injuries and, yet, these veterans supposedly placed in a priority enrollment category receive care as, though, they have none.

We would appreciate the opportunity to work with you to develop legislation that will exclude non-service-connected veterans with catastrophic disabilities from these costly fees and co-payments. We strongly urge the Committee to correct this financial penalty.

In regards to VA's research budget, PVA is very disappointed with

the Administration recommendation. The Independent Budget recommends \$460 million, approximately 60 million more than the Administration's recommendation.

Mr. Chairman, the first thing a new injured spinal cord patient thinks about is will I ever walk again. The cure to paralysis is no longer the question of if, but when. It is a matter of money and time, especially for those men and women who are returning from Iraq and Afghanistan. Do not allow veterans' research funding to wither on the vine. They have gone too far for many.

Thanks to the research, we have CAT scans, cardio pacemakers, the nicotine patch, enhanced wheelchairs, and numerous other discoveries that have benefited all veterans and Americans. PVA urges you to keep this program strong and provide \$460 million called for in the Independent Budget.

I want to applaud the VA Research Program for establishing the SCI Veterans Integration Program which is intended to improve the employment rate of veterans with spinal cord injuries. Mr. Chairman, over 80 percent of PVA members are unemployed. This is unacceptable. We must do a better job throughout the rehabilitation process to improve the livelihood of gainful employment for this population. This is another example where appropriate funding for research is critical.

In the area of SCI physicians and nurses, we believe more must be done to recruit and retain qualified people to manage and provide bedside care. We believe at PVA that the VA should acknowledge substantial increases in bonuses for these individuals. We call upon Congress to increase the oversight of staffing requirements for SCI.

Mr. Chairman, PVA has 700 members from the World War II era. They have been pushing their chairs for over 60 years. They are the leading edge of an aging population of paralyzed veterans who desperately needs long-term care. PVA strongly opposes any proposal that will decrease the beds and staffing level contained in the Millennium Health Care Bill.

This is not a time to reduce VA nursing home capacities with increasing demands looming in the horizon. We hope you will reject such legislation and conduct an aggressive oversight to ensure VA is complying with its obligation to provide long-term care.

Finally, I hope this Committee will keep a watchful eye on the efforts by the Department of Veterans Affairs to contract the provisions of health care to other providers. Last week at the budget hearing, Secretary Nicholson touted the remarkable, positive media VA has received, calling it a model for the rest of the country and private industries.

I would remind this Committee that it is because the VA is a provider, not a payer, that these reports have been so positive. VA health care is a national treasure. Do not allow it to be marginalized by con-

tracting care to non-VA providers.

In closing, I must reiterate a commitment to those who have served. President John F. Kennedy said during his inaugural address, and I'm quoting, "Our age, if it is to deliver on its promise, needs people who can reach beyond that which is already determined, that which is already predictable, that which can already be expected, and take the lead in creating new possibilities. The demand of this age are extraordinary. To meet them, extraordinary men and women are required. There is no reason, no motivation, no reward for which these people and you and I will make this age succeed. There is our humanity and the stand that we are."

Of those to whom much is given, much is required." This great nation as a whole has been given much by the hands of our veterans, many at the cost of lives, limbs, families, quality of life, earnings potential, and to the forfeit of their initial hopes and dreams. The reality is that no budget can fully pay the price for freedom here in the United States.

However, now since much has been given to us. We are now required to give back any positive means necessary to demonstrate our full support, funding, positive means, and forthright action to secure the bright future of those who so bravely paved the way for us to be here today.

Mr. Chairman and the Committee, thank you for the opportunity to testify, and I will be glad to answer any questions you may have.

THE CHAIRMAN. Thank you, Mr. McNeal.

[The statement of Delatorro McNeal appears on p. 180]

THE CHAIRMAN. Sergeant Major.

#### STATEMENT OF GENE OVERSTREET

SERGEANT MAJOR OVERSTREET. Mr. Chairman, distinguished members of the House Veterans' Committee, I would like to thank you for the opportunity to testify before you today. And I am very pleased to meet with you and with your Committees and discuss this year's and next year's legislative agenda, specifically targeted towards our veterans.

I think it is most appropriate with America's military personnel being deployed in harm's way to comment on these programs and benefits that will be beneficial not only to the veterans but to their families and to their survivors as well.

I am joined today by members of the Association's National Capital Office. Seated directly behind me is Chief Master Sergeant Richard C. Schneider, United States Air Force retired. And I would like to point out that he is still serving. He serves as the Executive Director of Government Affairs. Dick is a Vietnam veteran with over 33 years

of service.

Also with me is Master Sergeant Matt Dailey, United States Army retired. He is the military affairs for the association. Matt has two combat tours in Vietnam, 22-year service, four years active service and four years Reserve service.

And I asked him today, I said when did you get out of the Army, Matt. And he said in 1980. I said what have you been doing since then because I know what he has been doing in recent years. He still serves our veterans every day. I would suggest to you, sir, most of the veterans that you see in here have that same work ethics, to serve veterans and take care of them.

Mr. Chairman, with your permission, I would like to submit our statement for the record, sir.

THE CHAIRMAN. Without objection, so ordered.

SERGEANT MAJOR OVERSTREET. Thank you. And I will keep my comments to highlight and note some of the important issues that we deem very pressing at this time.

Non Commissioned Officers Association proudly represents enlisted servicemembers. Those servicemembers include active, Guard, Reserve, retired veterans, family, and I would like to throw in the survivors as well through every stage of their military life from the first oath of enlistment to the playing of TAPS.

The Association's shoulder has broadened from not only non-commissioned officers and petty officers, but we now include all enlisted members. This broad cradle-to-grave membership base makes the association quite unique amongst our military-related organizations.

The association is charged with establishing and presenting achievable legislative agenda that benefits our entire membership. Beyond seeking an achievable, the agenda addresses the needs of our memberships and even at all times sometimes causes us to come before this Committee and other Committees and ask members to stand tall and solicit action from your colleagues in the House and Senate on issues needed to support the troops and to support our veterans.

Entering the second session of the 109th Congress, the nation's military forces has more service men and women deployed around the world in Global War on Terrorism. More military focus include Reserves, Guard called up, more called and more serving and longer periods of time than ever before since World War II. Many of those are on their second and subsequent tour already.

The words of the oath of military enlistment are simple, but provide the very essence of service for every military man and woman by their ultimate declaration. These twelve words extracted from the oath are the same that all answer the nation's clarion, "Called to duty to support and defend the Constitution of the United States."

Mr. Chairman, I have had the opportunity to raise my hand over a half a dozen times to that oath. And I can tell you, at no time in the

enlistment oath was there any qualifications or comments such as if funds permitting or resources available.

There is the belief by all those who served and raised their hand that they are going to be served with the finest war-fighting equipment, support services, health care, and all that is included by the institution to take care of them. When they separate, they go with that same kind of thought. They know if something happens to them on the battlefield, they know, at least I know, I believed all those years, that my family was going to be taken care of as well.

I would suggest that a disadvantage of not being in the caucus room is having the ability to look in the face of veterans because those represent, I suggest those represent the wars that each one of them has fought in the past. And I think in each one of their faces, they carry a message, a strong message that we need to look into and find out what that message is because they have supported the Constitution of the United States and this country very well, and still are today, I might add.

I say to you this afternoon that freedom enjoyed by all Americans has a price. The price of this nation should be in the fulfillment and the commitment defined by President Lincoln just as my counterpart here. When speaking of veterans, he said, "To care for them who have borne to battle their widows and their orphans." When I say widows, I guess I really mean, Mr. Chairman, their survivors.

I am talking about their spouses, the loved one who have committed their life for tendering, nurturing, and physically sustaining them for a lifetime. And oftentimes, you know, that lifetime is cut short because of a combat wound or because of services they received while in the military.

So for those spouses, for those families, I am going to suggest, sir, to repeal the survivor's tax by allowing concurrent receipts of the military survivor's benefit plan which longevity truly has paid the premium and should be sought for DIC for payment once again for those lives cut short because of their help that they got from the military.

DIC payment is made in support of their prior month. If a spouse dies any time in the prior month, the spouse or the estate is not entitled to any of the DIC payments. Electronic transfers are reversed normally days and weeks before the survivor's children are aware of this action.

This reversal for many veteran families creates financial hardships and at a time when children are taking care of funerals, final arrangements, and for a veteran's spouse, we are aware of instances where financial restoration deeply embittered the veteran's children and grandchildren and the spouses literally were providing for this for their member on a day-to-day basis.

Can you imagine the entire DIC of a spouse who lived 30 days of

31? We encourage the entire DIC payment to be made for spouses who live any days, any number of days in the month in which a death occurred. We will be authorized to retain that estate. Disabled veterans have paid the price for the ultimate and quibbling over a few dollars is just really not worth it. And what we do to the spouse is certainly not worth it either.

We need an adequate and appropriate budget to provide health care for those that are approved and enrolled in our VA health care system. We are not confident that the 2006 and I would suggest the requested 2007 proposed budget makes a defined adequacy.

In 2007, we call again for user's fee of priority sevens and eights. I would like to tell you, Mr. Chairman, NCOA rejects this and we would like the Committee to take another look at it.

VA also suggests pharmacy co-payments are going from \$8.00 to \$15.00 in 2007. We would like for you to look at that, too, because most of our members, if not all our members, reject that.

We may be getting older, but the Association's leadership has not forgotten the 2002 vision of the Department of Veterans' Affairs to bring sufficient funding and allow priority eights, and I would say it looks like priority sevens and eights, veterans to use Medicare, Plus Choice, and non-service-related medical treatment for the VA health care facilities. It is time to revisit this vision.

Nor have we forgotten the vision for TRICARE, Medicare reimbursement. We think that is a great opportunity to take a look at that once again for VHA.

NCO recognizes a fragmentation which occurs in health care, scheduling delays, attempts, disenfranchised veterans, user's fee, higher co-payments, locking out veterans. All of those sorts of things kind of lead us to believe there that is not enough money to take care of veterans properly, sir.

I would make one other comment in regards to that as well. When I got out of the Marine Corps ten years ago, sir, the VA was implementing a new computer system. And now we are ten years later. Their computer systems still do not work. It was a one-all, catch-all, do everything. It is one thing that would be great. And if it worked, it would be outstanding.

However, it is our suggestion that the people running that either, one, do not have the technology to run it, the system is broke. They need more training and education to do that.

I realize my time is up, sir. And I will pass along there. I have several other things. And I am pleased to appear before this Committee, sir.

And the very last thing that I would say, sir, is I do not think that we should ever, ever forget our missing in action or prisoners of war, sir. And I thank you for the opportunity to appear before this Committee, sir. Thank you very much.

THE CHAIRMAN. Thank you, Sergeant Major.

[The statement of Gene Overstreet appears on p. 190]

THE CHAIRMAN. Commander Randles. It was good to see you in Indiana. Welcome to Washington, D.C. You are now recognized.

COMMANDER RANDLES. Mr. Chairman, I would like to first ask that my written statement be entered into the record.

THE CHAIRMAN. Your written statement will be entered into the record. Hearing no objection, so ordered.

#### STATEMENT OF JAMES RANDLES

COMMANDER RANDLES. Chairman Buyer, members of the Committee, ladies and gentlemen, it is an honor to appear before you, this distinguished body, on behalf of the Military Order of the Purple Heart.

The Military Order of the Purple Heart is a unique, very unique service organization in that the only members have been wounded on the battlefields of the world and consequently have been awarded the Purple Heart.

I am accompanied today by my Senior Vice Commander, who is sitting in the rear; the National Legislative Officer, Hershel Gober; our National President of the Ladies Auxiliary, Judy Spaulding; and the very special person in my life, my wife of 32 years, Jerolyn Randles.

This Committee is extremely important to the Purple Heart and its members. We look to you to represent the veterans of our country and to ensure that all members of Congress understand that America must keep its promises to those men and women who have served or are now serving in uniform if we are to maintain a viable military and continue to support the freedoms that we have.

I would like to begin by thanking Congress for passing legislation recently that raised the death gratuity and the SGLI benefits for those men and women now serving in uniform.

As part of my testimony here, we have also brought up members from each of our departments and we have called what we call March on the Hill. So the purpose of that is that each member of Congress will be visited by a member of the Purple Heart or several members of the Purple Heart to provide to them, emphasize those priorities that we have in regards to veterans' affairs.

The first of those would be veterans' health care funding. We highly support that and actually the third Commander in a row has come up here. And our number one priority is adequate funding for the veterans' affairs.

MOPH does not care if it is called assured, mandatory, or adequate. We just believe that the current system is broken and it needs to be fixed. This is evident in 2005 when Congress provided \$1.5 billion in emergency funding, supplemental funding, and also an amendment

for the fiscal year 2006 budget with an additional \$1.977 billion.

As you know, each year, the VA, as other government agencies, has reached their budget on October the 1st. For the past several years, this has not occurred. And VA receives its budget well into the fiscal year, making it difficult for the VA to plan ahead and even to hire health care professionals. MOPH joins with other VSOs to support and push for this legislation.

Another area is Senate Bill 185. This bill has to do with survivors' benefit plan and dependent DIC. This bill would eliminate the dollar-for-dollar deduction of DIC paid by the VA when the veteran's death is due to service-connected conditions from the Survivors Military SBP Program.

This is appropriate for me, especially interested in me in that I am currently out of my retired pay paying monthly an SBP premium so that if I die due to a service-connected disability that my wife could be getting both DIC and SBP. It comes from two different systems. I am paying for the SBP. DIC is from the VA. So why? It is kind of like concurrent receipt. Why do we penalize my wife for me dying and what happened to the money that I paid in all those years?

We also in concurrent receipt feel that everybody that is eligible for concurrent receipt should receive it. And also when it comes to the combat service-related compensation, Chapter 61, veterans who are awarded the Purple Heart with less than 20 years of service should also be eligible to receive the combat service-related compensation.

At our National Convention in Springfield, Missouri last year, we had a very heated discussion in regards to the award of the Purple Heart Medal to those POWs who died in captivity. In fact, we have had this discussion for several years at our National Convention.

I am pleased to announce that this year's convention passed a resolution in support of House Resolution 2369 and Senate Bill 2157 which would accomplish this goal.

And the final program I would like to emphasize is the Stolen Valor Act of 2005 or House Resolution 3352 and Senate Bill 2000 or 2998. This legislation would have dire consequences for what I call and most people call "wannabees."

It is absolutely appalling to me that any veteran or any person would claim that, number one, they have either received the Purple Heart or the Silver Star or the Congressional Metal of Honor or any metal for which they did not deserve nor earn, and especially the Purple Heart because that is a very significant award. There is only one way to get it.

And in the State of Georgia, it is significant in that if you have an award of the Purple Heart, you receive one free license plate for your car. In other words, you pay no taxes of any kind on that particular car. So if you falsely identify that you received the Purple Heart and get that license plate, you are then committing in my eyes fraud

against the State of Georgia.

I had the honor of getting a letter from one of the State senators from Illinois, and he is sponsoring a bill for the State of Illinois that is similar to the Stolen Valor Act here making it a fine and a prison sentence for anybody who is caught falsifying or claiming the medals which they have not received.

I subsequent to that wrote both he and the Governor and thanked them for their foresight, and hopefully this bill will pass in the state. And subsequent to that, I am trying to get the legislation.

So perhaps the Purple Heart as an organization and perhaps the other VSOs, we can pass on to other State legislators so that similar legislation not only at the Federal level but at the State level is enacted to get these wannabees out of the system.

The only thing I have is once we pass the law, we have to enforce it. The law is only good as we enforce it. And the first guy that is caught -- I am not a very vindictive person, but I think we should give him max.

Finally, I would like to urge each member of Congress, if they have not done so already, to go to on a Friday night to Fran O'Brien's Restaurant here in Washington, D.C. because each Friday night, they host the wounded from Walter Reed and from Bethesda and their families to a dinner. Everything is free for that entire night for that group.

I have had the pleasure of being at several of those, and it is a tremendous experience to talk to these young men. And I have got to briefly relate to one when I first went in that this young man, he had a prosthetic and he was showing me the use of his arm. And he was really proud of it and he says, sir, let me tell you, this is guaranteed a drink at any bar you want to go to. And he put a glass in his hand and he rotated 360 degrees.

And, you know, it brought tears to my eyes. And I asked him, I said, well, what do you want to do. And he says I want to go back to be with my buddies. And to the men, any time you talk to them, that is what they want to do. That is what they want to do.

And in conclusion, I would like to add my thanks to Congressman Bilirakis for his many years of service to our country and to his advocacy, especially for the veterans and specifically for the Purple Heart. And we wish you the best. You will certainly be missed, but I understand we hopefully will have your son here.

Mr. Chairman, I thank you for the opportunity to speak before this body.

THE CHAIRMAN. Thank you very much, Commander.

[The statement of James Randles appears on p. 208]

THE CHAIRMAN. You spoke with great passion, you and also the Sergeant Major, actually all of you, in identifying the values for which

we have been inculcated with that are also the envy of many within our society. They try to learn. They try to understand. But there is a dimension which they will never know. But at the same time, we have to be careful and we have a responsibility to a society to help lead where we can.

And, you know, Congress also, when the VA opened its doors, still embraced a system of priorities, one through eight. And we also gave authorities to the Secretary, recognizing that there could be times where the country finds itself at war.

And I think even in the Independent Budget, I remember reading in the Independent Budget where it talked about the core mission of the VA to care for those with disabilities.

So, you know, I heard you, Colonel. I am one that I would never ever fail to place someone ahead of me that has got it worse off. That is me.

So on Friday, I get to do something really unique that I enjoy every year. I get to put on the uniform on Friday. And I really enjoy that because I also get a chance to talk to the men and women who serve. And, Sergeant Major, it keeps me in touch.

We, all of us, as we have traveled and have seen, so many, in our Poly Trauma Centers, and the professionalism of the doctors and the nurses and support staff and technicians in what we do to save a life. It is absolutely remarkable. What we as a nation do to save that life, we go to any expense.

And we are challenged in our goals on seamless transition, but we are not challenged when it comes to our sincerity in care for that man or woman who fell. And I am really proud of them. I am proud of the active duty counterparts and how they are saving more lives today than ever.

Individuals that you served with, when you reflect back, those who did not make it off that battlefield, but today we are saving that life. And when we save that life, they also are individuals that have greater disabilities and greater challenges. And we have to embrace that to give them every opportunity to live full and complete lives as much as possible.

And so I recognize. This is my 14th year on this Committee and as I reflect back over the years, I have enjoyed my service with many members on this Committee who share the commitment. And Michael Bilirakis has been one of those individuals who has always served the interest of America's veterans.

And there are those who were quick to bring out the political or partisan barbs. And Mr. Bilirakis has always been one to bring calm. And I suppose why I enjoy that uniform so much is because in this town, everybody walks around this town with political labels and nobody asks you if you are Republican or Democrat or an Independent when you put on the uniform.

And that is what this is supposed to be about. And sometimes we -- I will include myself, I will include veteran organizations, military organizations, it is a political town -- and sometimes we have to always remember to be centered with regard to why we serve and what we do.

And I appreciate all of your testimony today. It is valuable. It is very helpful to us. And so, Commander Randles, I appreciated the sincerity in which you delivered your testimony. And, of course, you know, you get to serve with someone who served the VA very, very well for many years. And we appreciate his service.

What I did to the first panel, I would also ask all of you, about this issue of these individuals who did not report for duty. I would like for you to look at the issue. I do not think this is one we should let get away. The regulations and the laws are very clear. If these individuals had a special circumstance, the Secretary has abilities to make waivers and take these circumstances into account. But if these are individuals who just said no, they should not be receiving general discharges which would allow them to gain access to benefits of other individual soldiers, sailors, airmen, and Marines.

I notice some of you are nodding your heads, but I want you to go back and get that one from your organizations. I think we are all in agreement here. But if we all get in agreement, we can send the right message to the Pentagon. I do not want to pick up the phone and call over there. There is such thing called undue influence. But we can let the Commanders know generally how they should handle these individuals. I think it would be very appropriate.

I now need to turn this all over to Mr. Bilirakis. I need to go. We have got the Katrina hearing and we are going to vote to approve our report and make comments. So I will turn the Committee over now to Mr. Bilirakis.

And, gentlemen, thank you very much for your testimony.

MR. BILIRAKIS. [Presiding] Thank you, Mr. Chairman. Thank you for those kind comments. And I appreciate the comments from the panel, and I will just go ahead from here if I may.

I should really call -- I cannot see you back there. You are hiding.

MR. FILNER. Me?

MR. BILIRAKIS. Yes. I will go ahead and yield to you.

MR. FILNER. Thank you, Mr. Chairman. Mr. Buyer's comments with regard to you were very eloquent and I share them. We do appreciate all your service. You have taught us all a great deal. So thank you.

I was going to ask Mr. Buyer again if he wanted to define the core veterans, but I guess we are -- I instructed the Council to prepare a bill that is called the Steve Buyer Core Veterans Act which --

MR. BILIRAKIS. Be nice, Bob. Be nice.

MR. FILNER. I am. It redefines that we rename the Veterans' Ad-

ministration as the Core Veterans' Administration. We changed the slogan to care for the core who has borne to battle and define it pretty clearly.

But with all the nice words that we heard, the Chairman will defend this budget that the President gave which is -- you all have been very nice. And by the way, I agree with it. Mr. Buyer, also, you were very eloquent and we learned a lot from you.

This budget is insufficient. You can say it is better than last 5 years but it is not. The games that are played with these numbers make it as bad or worse than the previous submissions. If you count everything that we should be counting, we are somewhere between three or four billion dollars short in the way we are defining it here.

I am convinced that this Chairman that the majority put in, and the Secretary of VA that was put in was done to downsize the VA and to make it less open to all the veterans who have served this nation.

The fact that Mr. Buyer has cancelled the joint hearings where your membership comes -- I think it is beyond just what one of you said, that people like to hear the Commander and applaud. It is a sense that the country that they fought for is a democracy and that they participate in this democracy, that they are part of it, that their ideas count. They could directly talk to the representatives on this Committee and visit their Congressmen. But the hearings would provide a participatory thing.

What Mr. Buyer wants to do is cut that off, and I think they want to cut it off because they are afraid of more people understanding what they are doing to the VA and what they are doing to veterans. They do not want your membership to participate, and I think that you should confront that head on.

The Commander here talked about the March on the Hill. I think we should turn those annual meetings into such a march and carry out the participatory function that those meetings serve. I would go to Mr. Buyer's office with all 5,000 people that come, ask to see him, and talk about what core veterans are. Stay there for a little while if he does not see you.

I would surround the Capitol until we passed a budget that is worthy of you. You have got a lot of people who know how to bivouac, and we could have an interesting demonstration. I do not think they would kill anybody like the bonus marchers, but they would eventually give the benefits that we think are so important.

I think the VSOs have to be in touch with their membership and reinvigorate a grass roots rather than allow it to be cut off as this Administration apparently wants to do.

I would take this as an opportunity for a new kind of political action and demand the kind of budget that is worthy of your sacrifices. I would bring them all here and let us invent a new way. If they want to cut off those joint hearings, let us find a different way to maximize

a sense that the folks who have, in fact, fought for our freedom can participate in it and defend it.

So I look forward to working with you all to do that.

Thank you, Mr. Bilirakis.

MR. BILIRAKIS. Thank you, Mr. Robert.

Well, first, let me just say regarding the cutting out of the joint hearings, I oppose that. Mr. Chairman knows it. But I would not, with all due respect, Mr. Filner, agree that it was done for the reasons stated.

He felt that by getting the veterans' organizations involved earlier in the game that they would be a part of hopefully formulating the veterans budget. It would take a lot of cooperation with the Administration, whichever Administration it might be in the process, but still helping to formulate whatever that spin would be.

And so in any case, I think that whatever rationale Steve uses is worthy of attention as much as rationale by Mr. Filner or anybody else.

Commander Randles, I believe it was you who emphasized -- the troops returning with the injuries, serious injuries. I have gone to Walter Reed and I have seen them, too, and it has brought tears to my eyes. I also went to Iraq as did many of us up here, and I visited a hospital in Balad, Balad Air Force Base. It is about 40 miles north of Iraq. I spent some time there and talked to a lot of the injured, a lot of the wounded. And every one of them, man and woman, and there were at least two women in there at the same time, said they wanted to get back to their units.

The spirit and the morale is just unbelievable, and I might add the faith in their government. And I think some of the things that are coming from over here are going to probably hurt as far as that faith is concerned. But in any case, I would agree with you. They are just something special.

Just very quickly, I am not going to really ask the question, but I will say this. During my first few years here, constantly the point was raised third-party payer. And the veterans' organizations in general -- and I am not trying to put words in their mouths -- but in general opposed that because they said they should be completely separate veterans' health care and it should be paid for by the tax-payers, veterans' dollars, if you will. And, therefore, they did not want any third-party payer at that point in time.

Well, eventually as a result of budget problems, we all evolved in that particular area. So now we are doing it to some degree.

Mr. Filner mentioned -- I think he is the first one who mentioned the Medicare subvention. It is part of your presentations too. It is something that we have considered over a period of time. There is the problem of two hands there, one being Medicare and the other being the veterans. And if you take it from Medicare and give it to the

veterans, then you are causing problems on the Medicare side and whatnot. And I am sure you understand that.

But if we had Medicare subvention, and I tend to feel that we should have, if we had it, and if we could not get it for just those combat related, not service connected, but if we could not get it for just the service connected or the non-service connected -- the non-service connected, I believe, is the position of the organizations -- if we could not get it for just the non-service connected, but we could also get it for some of the service-connected conditions or if we got it just maybe for the combat related, service-connected conditions, if you will, whatnot, how would you feel about that?

In other words, rather than all or nothing on Medicare subvention, with the possibility of maybe of a half a loaf, I am just curious because, you know, this all came up during the third-party payer business.

Go ahead, Mr. Miller.

MR. MILLER. Mr. Bilirakis, I think the very early proposals envisioned exactly that. Medicare subvention would only be for those veterans who were being treated for a non-service-connected condition, not for service connected.

MR. BILIRAKIS. I appreciate that. But my question is, if it did not include the non-service connected or if it included the non-service connected, but went further and included the service connected or maybe just limited to the combat related, service connected. You know, I am talking about -- because what we have done with concurrent receipt is it is incremental kind of thing. So oftentimes we have to do that in order to hopefully reach what we want ultimately.

And I am raising that particular question. I do not know that I want an answer from you here now because I sprung it on you, but I would appreciate your thinking about that. But when we are talking about Medicare subvention, and when we are talking about third-party payer, I guess I raise the question, why should a service-connected veteran who has health insurance and pays good premiums for, this insurance and then receives care at the Veterans' Administration for a service-connected condition, but then the Veterans' Administration cannot go after that third-party payer? I mean, who gets benefited there? The people who get benefited are the insurance companies because they are getting the premium and they are not having to pay out.

And I guess I am saying the same thing regarding Medicare subvention. So, you know, let us think a little broader here, and I am not saying that any changes are contemplated right now in that regard. I do not know of any pieces of legislation that would do that to the extent that I have mentioned. But it is something that I think we ought to be thinking about because obviously you all kept thinking about the third-party payer. You did not want it at all initially and now you have sort of changed in that regard.

So, anyhow, give some thought to it, please, and maybe you can get back with us. But, again, we are all grateful to you. This has been a long hearing, but well it should have been because you should have an opportunity to express your views.

Thank you on behalf of all of us. God bless you. The hearing is over.

Oh, yes. I would say without objection, the opening statement of Ms. Brown and any other member of the Committee is hereby made a part of the record.

[The statement of Jeff Miller appears on p. 63]

[The statement of Corrine Brown appears on p. 64]

[The statement of Stephanie Herseth appears on p. 70]

[The statement of Tom Udall appears on p. 73]

[Whereupon, at 1:18 p.m., the Committee was adjourned.]

## APPENDIX

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**Statement of Representative Lane Evans**  
**Ranking Democratic Member**  
**Committee on Veterans' Affairs**  
*Hearing to receive legislative priorities of*  
*veterans' service organizations*  
**February 15, 2006**

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I'd like to thank each of the organizations represented here today for your views on the status of veterans' benefits and services -- where we are, where we are going, and where we might have failed.

**The VA Budget**

On the latter, we clearly have our work cut out for us. I am disappointed, and frankly amazed, over the misleading and inadequate Department of Veterans Affairs (VA) FY '07 budget the Congress has just received from the Administration. It's the same song, same tired refrain that more should be lifted from veterans' pockets. The Administration barely tries anymore to conceal the smoke and inadequacies of its budget submissions, which include:

- new user fees for health care for veterans making as low as \$26,903, many of whom are combat-decorated and some of whom might not have other health care options;
- nearly doubled prescription copayments for this same group of veterans (on top of a recent increase);
- more than a billion dollars in so-called management efficiencies that, as has been documented by the Government Accountability Office, cannot be accounted for, are not likely to provide real savings, and which nonetheless are used to reduce health care appropriations;
- cuts in veterans' medical research at the height of a war;
- continuation of the questionable methodology of claiming gross receipts for the Medical Care Cost Fund and not considering the cost to collect those revenues;
- dwindling average daily census for institutional long-term care in VA as the aging veteran population is peaking;
- continuation of a heartless policy that has, to date, shut more than a quarter million veterans out of the VA health care system altogether with signs that the Administration intends it to be perpetual, and proposals that would drive another 200,000 away from VA hospital doors;
- cuts in staff who adjudicate veterans' claims for benefits, while there are hundreds of thousands of claims already awaiting adjudication; and, incredibly,

- projections that claim VA will treat thousands of fewer returning Iraq and Afghanistan veterans in 2007 than in 2006 with an attendant request for an inadequate amount to cover prosthetics services.
- all frightening proposals because there are some in Congress who will obligingly accept and even attempt to trump them with deeper cuts in discretionary spending and veterans' entitlements. Count on it.

Veterans' organizations, their rank and file, and the 24 million veterans of this nation and their families must speak out – quickly and forcefully. The Administration touts its latest as a "landmark" budget – the best that can be said is that it is better than last year's 0.4% increase in veterans' medical care – but, in fact, it is largely another affront to veterans who need VA services and veterans' advocates who must fight this Administration at every turn to help make certain that those services remain intact.

And if anyone was thinking that maybe it will get better *next* year, reports have surfaced showing that the Administration's five-year timeline calls for deep cuts in VA funding. When the White House calls its '07 VA budget submission "landmark," it is perhaps prophetic of what its intentions are down the road. Over five years, the Bush budget cuts funding for veterans' medical care \$10.1 billion below the level estimated to maintain purchasing power at the 2006 level, according to the House Budget Committee.

All of this comes in the wake of an '05 VA budget that was dangerously short, that compelled a begrudging request from the Administration for supplemental appropriations to fill the gap last summer, and an '06 budget that suggests more of the same. The House Veterans' Affairs Committee is already hearing from across the VA health care system that, once again, medical facilities are having to delay equipment purchases and hiring of health care professionals to deal with new budget shortfalls. No doubt, we'll still hear a cheery official Administration forecast, notwithstanding what the direct care providers, administrators and other employees are telling us.

The immediate response to these concerns – the knee-jerk, faint defense from the Administration and its budget crunchers – has been that they have done plenty for veterans, increased the budget by a large percentage in fact. This "look-at-the-bottom-line" sleight of hand masks: that they have requested far less than necessary, putting forth budgets that haven't kept pace with demand (evidenced, in part, by continuing unacceptably long waiting times for health care); that they continue to use unsound, deceptive accounting practices that increase their requests on paper while in reality cutting veterans' funding; that they continue to press for repeatedly-rejected legislative

proposals that would place the onus for making up the Administration's budget shortcomings squarely on veterans themselves; and that much of the increase in VA's budget is the result of Congressional add-ons that still do not measure up to what the system requires. And, let's not forget that this is not the first year deceptive practices have been employed. The cumulative impact of claiming unfounded management efficiencies may have weakened the veterans' health care system by billions of dollars over the last five years. That's not exactly a record the Administration, or anybody, should be pointing to with pride.

### **Assured Funding**

There have never been clearer road signs marking the way to an assured funding process for veterans' health care. We can no longer allow funding to be held hostage to the Administration's misplaced priorities and the follies of the Congressional budget process. Veterans' health care must be placed on par with all major federal health care programs by determining its resources based on programmatic need rather than politics and budgetary gimmicks.

In 2004, The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans issued a report citing a "growing mismatch between funding and demand" within the VA health care system. H.R. 515, the *Assured Funding for Veterans Health Care Act of 2005*, would require the Treasury Secretary to annually provide funding for the VA health care system based on the number of enrollees in the system and the consumer price index for hospital and related services.

Rationing health care to this country's veterans is not a policy that anyone should support. H.R. 515 aims to prioritize health care for the men and women who served this country in uniform over tax cuts for millionaires. It recognizes that veterans' health care is a continuing cost of war. This vital piece of legislation is supported by every major veterans' service organization, as well as the Partnership for Veterans Health Care Budget Reform, a group made up of nine key veterans' service organizations advocating reform of the budget process.

Perhaps because it is such a profound debt to repay – sacrifices for freedom – that no Administration has done all it should for veterans, but this Administration has a particularly abysmal record of failure in seeking adequate funding to provide health care to veterans. It just seems incapable of doing so.

The budget is not the only problem for which we need to send out a clarion call to veterans and their families for petition and protest. This will be a short legislative year for the Congress, but one in which we should find ourselves dealing, Congress's

majority leadership willing, with some of the most pressing problems for veterans in contemporary times.

#### **Mental Health/PTSD**

This Administration -- and frankly, the Congress -- is not taking the mental health of our returning service personnel as seriously as it should. The mental health, just like the physical health, of our servicemembers and veterans deserves to be treated as a top priority. The Administration proposes to spend an additional \$339 million for mental health services in FY '07, which sounds good but falls short in addressing the magnitude of the matter. VA has failed to account for other promised expenditures toward veterans' mental health, upwards of \$100 million, in fact. I have asked the Government Accountability Office to look into this.

Moreover, VA has failed to implement key recommendations of its own Special Committee on Post-traumatic Stress Disorder (PTSD), including more staff and family therapists at readjustment counseling centers (Vet Centers). VA's model for projecting demand fails to recognize that OEF/OIF veterans are disproportionately represented in its PTSD population: They represent 2% of the overall patient population, nearly 6% of the veterans in treatment for PTSD. We cannot afford to sit back and wait, offering up a belated response as we did with the veterans of the Vietnam War.

Mental health experts indicate that between 17% and 26% of the troops returning from combat operations in Iraq and Afghanistan may experience symptoms related to a mental health disorder, such as depression, anxiety or PTSD.

Government Accountability Office reports have found that the Departments of Defense and Veterans Affairs may lack capacity to meet the demand for mental health services of combat troops and returning veterans.

H.R. 1588, the *Comprehensive Assistance for Veterans Exposed to Traumatic Stressors Act of 2005*, focuses on enhanced education and outreach efforts, improved pre- and post-deployment screening, early diagnosis and effective treatment and follow-up counseling for veterans and family members.

A key provision of the bill would extend from two to five years the guaranteed period of access to the VA health care system for combat veterans. The extended eligibility period is critical to providing comprehensive mental health services for conditions that do not always manifest in ways that are easily identified and which can lead to difficulty in completing the VA claims process.

We must have a comprehensive approach to identifying potential mental health problems with precise pre- and post-health deployment assessments, outreach and counseling in the combat theater, tracking veterans when they return stateside to military or veterans' medical facilities, through separation to their homes and six-month, 1-year and beyond follow-up to determine their health conditions.

#### **Seamless Transition/Medical Records Exchange**

The Departments of Defense and Veterans Affairs (less so, the latter) have for at least two decades given significant levels of lip service to the concepts of sharing and seamless transition, meant to assure that our service personnel do not fall through the health care and benefits assistance cracks when they transition to stateside hospitals and/or civilian life. An observer could conclude that the respective cultures of the two Departments are an impediment to *real* progress, with each placing differing levels of priority on accomplishing this task and falling back on the unacceptable claim that they have different missions. They do not.

Some progress has been made, particularly in the last two years, and at least one promising electronic medical record-keeping system has been introduced, but we have only limited national exchange capability to show today. For the most part, the two medical systems established to care for our active duty personnel and veterans cannot talk to each other. That is a significant inadequacy in light of the current war and should be a paramount concern for "the long war." The fervor for completing this task must be awakened in the two departments, and that can only happen if the heads of each finally deem it important and direct it to fruition.

#### **Aging Veterans**

There are 9.6 million veterans who are age 65 or older, representing 38% of the total veteran population. By 2030, the proportion of older veterans will increase to 45% of the total. As in the general U.S. population, those age 85 or older are the fastest growing segment of the veteran population, representing 3% of current veterans. The number of veterans age 85 or older is expected to nearly double from 764,000 to a peak of 1.4 million between 2003 and 2012. VA estimates that in FY 2007 some 45,000 of its patient population will have dementia.

Yet, the Bush Administration's '06 VA budget proposed to greatly reduce the number of veterans it supports in institutional nursing care settings, just as states may have to deal with large cuts in Medicaid program funding. In particular, the Bush budget proposed to drastically reduce the number of state residents VA would have supported in veterans' state nursing homes – a program that VA has supported for decades. The National Association of State Veterans Homes estimated that adoption of this policy

could have potentially affected funding for as many as 80% of its residents and possibly could have led to the closure of many of its programs. With the help of the veterans' service organizations, veterans across the country and state officials, we successfully fought the Administration's efforts to decimate the state home program. Still, the Administration is thumbing its nose at the law.

P.L. 106-117 requires VA to maintain its in-house nursing home capacity at the level that existed in fiscal year 1998 (average daily census [ADC] of 13,391). VA's programs have continued to erode since that time. In the current Bush budget, ADC is projected to be 11,100 and, rather than take actions to redress this erosion, VA continues to propose to do away with the requirement and fund ways to reduce its institutional long-term care capacity, even though we are now in the veteran population's peak need for such services.

The non-institutional programs are indeed a necessary part of VA's care continuum, but we should hold to the 1998 recommendations of the Federal Advisory Committee on the Future of VA Long-Term Care that **VA should maintain its bed capacity** [emphasis added], increase capacity in the state homes and double or triple capacity in its non-institutional long-term care settings. While telemedicine and home care are important components of long-term care, telemedicine cannot help a veteran to get out of bed or take a shower. Home care may not be suitable for many severely disabled veterans who need 24-hour care for complex medical and psychiatric conditions.

#### **GI Bill**

A GI Bill education assistance program that has returned as much or more to our society than any other piece of social legislation has fallen behind tuition rates and, while still effective as a recruitment and retention tool, must be brought into the 21<sup>st</sup> Century with greater flexibility and modern benefits that fit today's education and job training requirements. Achieving this will require bipartisan initiative and effort and the support of all of the Nation's military and veterans' service organizations.

#### **VA Employees**

But for all the concerns, there still is some good news, and we can thank the employees of the Department of Veterans Affairs for it. As independent surveys, prestigious journals and the Nation's news media have pointed out, VA employees continue to deliver quality health care – better than that delivered by the private sector as judged by veterans themselves – in the face of dwindling budgets, crippling Administration policies, and the general neglect of a White House with other priorities on its mind that take greater precedence.

"For the lessons of the [Veterans Health Administration's] success story – that a government agency can deliver better care at lower cost than the private sector – runs completely counter to the pro-privatization, anti-government conventional wisdom that dominates today's Washington," said columnist Paul Krugman in The New York Times. Yet, dismally, this Administration still chooses not to fully support the VA system and, in fact, makes no bones about its preference that veterans pay greater out-of-pocket costs or go searching for care in a private sector where many will not find the veteran-sensitive, specialized care they need and deserve or worse, will find no care at all. This is to the detriment of the system, of veterans and of taxpayers who will foot higher costs as a result.

The dedication of VA employees – their hard work, their true compassion, their ingenuity and creativity, especially when you consider that they often are not given the tools they need and deserve – is largely beyond reproach. Theirs is the gold standard for public service. They serve America's most important constituency with distinction and they deserve better. Imagine what they could do, how effective they could be, with adequate funding.

### **A Clarion Call**

No one can do more than veterans themselves, and their widows/widowers and dependents, to bring this Administration to its senses and keep the Congress on the path of what is true and right – an agenda that places veterans and their families at the top, certainly well above tax breaks for millionaires that are driving us to deficit nightmare.

The battle is not over, the truce is not yet declared. Unfortunately, veterans must continue to fight for what they already have earned. It is a sad, sorry state of affairs that they must approach their President and their Congress year after year, hats in hand, begging for adequate funding.

At the core of every American's desire for this country, and as key to its defense and security as any weapons system or strategy to keep our enemies at bay, is keeping our promise to those whose sacrifices above all others have indelibly etched liberty into the granite of time.

So let the clarion call go out. Veterans and their organizations must not stand idly by. Americans must raise their voices. And the Congress must join the chorus. The toll of silence and acceptance of the status quo will be an ever-diminishing VA and the continuing neglect of a system and a constituency that have earned our undying gratitude and foremost attention.

Honorable Jeff Miller  
FY07 VA Budget Hearing

February 8, 2006

Thank you, Mr. Chairman.

I want to welcome you Secretary Nicholson, and thank you and your dedicated staff for all they do for our returning servicemembers and veterans.

Too often, people look to criticize the Department without taking into account all the positive accomplishments you can point to.

The backlog of pending claims continues to grow, yet the budget proposes a slight reduction in compensation staff in FY07.

As you are aware, next week my subcommittee will be holding a hearing on the compensation and pension portion of the budget where we will examine this request further.

I am pleased to see that the budget proposes \$27.8 million, almost \$14 million more than last year's request, for restoration and repair projects at our national cemeteries. Still, this will not fund the outstanding infrastructure deficiencies identified by the Logistics Management Institute in 2002. My understanding is you have completed about 35 percent of the 900 repairs. The last thing we can do for a veteran is offer a dignified final resting place, and I look forward to working with the Committee and Under Secretary Tuerk in that regard.

Thank you, Chairman Buyer, for convening this hearing today. I have some questions for the Secretary following his testimony.

Rep. Corrine Brown  
House Committee On Veterans' Affairs  
Legislative Presentations Of Veterans Service Organizations And Military Associations  
Hearing I  
Wednesday, February 15, 2006, 10:30 A.M.  
334 Cannon House Office Building

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Thank you Mr. Chairman. I would thank you for holding this hearing to receive the legislative priorities from these groups; however, the fact that decades of bipartisanship and bicameral unity were ended with the elimination of the joint House-Senate hearings is a black mark for this Committee.

I admire these groups and am interested in all they have to say.

I will admit, I have been a supporter of these organizations and the causes they support. I am not the one that needs to be reminded of your sacrifices and our duty to you.

Those who want to balance the budget on the backs of veterans and pay \$10 billion a month for the war in Iraq out of the pockets of our military retirees and veterans are the ones who need to be explained who does the fighting.

A \$250 user fee for the VA and a \$15 prescription co-pay, and increase of 47 percent is unconscionable. The House of Representatives has voted repeatedly to reject this misguided cost to those who defend our freedoms with their lives.

This is something our Chairman has not realized yet.

While nominally only affecting “higher income” veterans, a veteran could have an income as little as \$26,902 to be considered Priority 8 in my district.

Those veterans are already denied coverage and if served, would have to pay a lot more to get that medical care. Thank you all for your service and I am pleased to hear your testimony today.

HONORABLE HENRY BROWN  
Opening Statement

Full Committee Hearing on FY 2007 Department of Veterans Affairs  
Budget Request  
February 8, 2006

Thank you, Mr. Chairman and thank you for establishing this front-loaded series of budget hearings so that over the course of the next few weeks all the subcommittees can solicit input from the VA, and equally important, the veterans service organizations.

Mr. Secretary, it seems we have come along way since last year. I want to publicly applaud you and the President for assembling a budget request that I feel speaks loudly to the needs of our nation's veterans and that attempts to keep pace with the emerging health care requirements of those who have faithfully served this country.

I think a 12.2 percent increase in a time of budgetary belt-tightening is impressive, and characteristic of an administration that is committed to defending the nation. I am a bit concerned however, about the administration's continued reliance on legislative proposals requiring veterans to pay more out of their pockets for their health care. I am afraid the political will of the Congress simply will not support such a proposal and I am equally concerned about the signal it sends to the country.

I am also a bit concerned about a reduction in appropriated dollars for medical and prosthetic research. While I understand the research budget predicts an overall increase in research funding, the reliance on other federal grants and private partners gives me pause. In my mind, there a few greater pursuits-- aside from the provision of direct medical care-- that can have a greater impact on meeting veterans health care needs in the future than good, old-fashioned clinical research.

All that having been said, I am encouraged by the proposed, increased funding levels put forward for fiscal year 2007 that will address important, ongoing issues like long term care, mental health and major and minor construction projects. I look very forward to the discussion here today on all these issues.

I also look forward to hearing from the veteran services organizations that are assembled here today; those who represent the Independent Budget and those who have alternative ideas on what VA's

budget should look like. Over the course of the next few weeks, I look forward to working with all of you on issues on which common ground can be found and I look forward to forging a solid budget of which all of us can be proud.

Mr. Secretary, I would again like to thank you for your service to this nation. I would also like to remind you of a statement made by the Chairman of this committee during last year's budget hearings. Chairman Buyer acknowledged that you had "inherited" the budget you were forced to defend last year, but he also warned that you would "own it" from now on. I think you and the administration have taken our collective urgings seriously, and I think that is reflected in the budget proposal that is here before us today. I look forward to the discussion.

Mr. Chairman, I yield back the balance of my time.

## STATEMENT OF CONGRESSWOMAN STEPHANIE HERSETH

## Legislative Presentation of

The American Legion, Veterans of Foreign Wars, DAV, and AMVETS,  
PVA, JWV, BVA, Non-Commissioned Officers Association, Military Order  
of the Purple Heart

February 15, 2006

Thank you to everyone for being here today to present the central issues affecting our nation's veterans and to share the views of your organizations.

Now, as thousands of U.S. servicemembers are fighting to protect the freedom of this great country, it is more critical than ever that we continue working together to ensure that America's veterans receive the benefits and services they have earned and deserve.

While the VA has made great improvements in recent years, I believe that the current budget will once again leave the VA without adequate resources to properly care for all veterans.

Proposals to make health care more expensive for veterans are extremely disappointing. The Administration's proposal to assess an enrollment fee and increase co-payments for veterans' prescription drugs is particularly troubling. In addition, I am disappointed that the Administration continues to deny access to the VA for 260,000 Priority Eight veterans - including 1,200 veterans from my state of South Dakota.

As the Ranking Member of the Economic Opportunity Subcommittee, I joined Subcommittee Chairman Boozman yesterday in a hearing with Deputy Under Secretary for Benefits, Ron Aument to review the Administration's budget and discuss the VA's strategy for providing timely and efficient education, home loan, and Vocational Rehabilitation & Employment (VR&E) services. I look forward to hearing from you today and in the future regarding the VA's progress in meeting its education, home loan, and VR&E objectives.

I share your concerns regarding unfulfilled Capital Asset Realignment for Enhanced Services (CARES) goals. It seems apparent that recent health care budget shortfalls have stressed the coffers of CARES and delayed capital equipment purchases and building projects. In South Dakota, the construction of two Community Based Outreach Clinics (Watertown and Wager) have been delayed. Without proper funding the VA will be forced to continue robbing Peter to pay Paul.

I also would like to express my support for increased funding for Medical and Prosthetic Research. I recently visited a constituent of mine at Walter Reed Hospital who had lost both of his legs when an Improvised Explosive Devise (IED) exploded near him as he helped evacuate a fellow soldier from a damaged vehicle. During a time of war, as many men and women are returning home with severe injuries to their arms, legs, and spinal cords, we should not be cutting prosthetic and rehabilitation research.

Lastly, I would like to express my support for strengthening and updating the Montgomery GI Bill. I am encouraged by and supportive of recent

proposals to increase educational benefits under the Montgomery GI Bill – including proposals to better reflect the service commitment of the National Guard and Reserve.

While I highlighted only a few issues in my opening statement, I know there are many other important matters affecting today's veterans. I share your concerns regarding these issues and look forward to working with you and my colleagues to address these matters.

Again, thank you to everyone for taking the time to be here.

Mr. Chairman,

I want to offer a warm welcome to ~~each~~ <sup>The</sup> veteran service organizations  
testifying today and thank them for their tireless advocacy on behalf of  
our nation's veterans. These hearings are important for ensuring that an  
open, two-way dialogue continues between Congress and veterans,

particularly on issues we will be dealing with as this year progresses – health care, benefits, education, and housing.

Another major issue this year will be the influx and transition of new veterans from Afghanistan and Iraq. These men and women will be returning home after serving with honor and dignity and it is absolutely essential that we afford them the respect and attention they deserve.

Thank you again to all of those testifying today. I hope we continue to work together for all veterans.

Thank you, Mr. Chairman.



STATEMENT OF  
STEVE ROBERTSON, DIRECTOR  
NATIONAL LEGISLATIVE COMMISSION  
THE AMERICAN LEGION

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE 2007 LEGISLATIVE PRIORITIES OF THE AMERICAN LEGION  
FOR THE DEPARTMENT OF VETERANS AFFAIRS

FEBRUARY 15, 2006

STATEMENT OF  
STEVE ROBERTSON, DIRECTOR  
NATIONAL LEGISLATIVE COMMISSION  
THE AMERICAN LEGION  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
THE 2007 LEGISLATIVE PRIORITIES OF THE AMERICAN LEGION  
FOR THE DEPARTMENT OF VETERANS AFFAIRS

FEBRUARY 15, 2006

Mr. Chairman and Members of the Committees:

The American Legion's National Commander, Tom Bock, deeply regrets that he cannot be present today due to prior commitments. Today, I will address many of the legislative mandates that make up The American Legion's legislative portfolio.

The American Legion is a Federally Chartered, veterans' service organization with its vision statement clearly articulated in the preamble to its constitution. Since its inception in 1919, The American Legion consists of men and women from diverse demographics, but share one common bond: honorable military service in the Armed Forces of the United States. There is no rank in The American Legion, just comradeship – veterans taking care of veterans.

**MANDATORY FUNDING FOR VETERANS HEALTH CARE**

A new generation of young Americans is once again deployed around the world, answering the nation's call to arms. Like so many brave men and women who honorably served before them, these new veterans are fighting for the freedom, liberty and security of us all. Also like those who fought before them, today's veterans deserve the due respect of a grateful nation when they return home.

Unfortunately, without urgent changes in health care funding, new veterans will soon discover their battles are not over. They will be forced to fight for the life of a health care system that was designed specifically for their unique needs. Just as the veterans of the 20th century did, they will be forced to fight for the care each one is eligible to receive.

The American Legion continues to believe that the solution to the Veterans Health Administration (VHA) recurring fiscal difficulties will only be achieved when its funding becomes a mandatory spending item. Funding for VA health care currently falls under discretionary spending within the Federal budget. VA's health care budget competes with other agencies and programs for Federal dollars each year. The funding requirements of health care for service-disabled veterans are not guaranteed under discretionary spending. VA's ability to treat veterans with service-connected injuries is dependent upon discretionary funding approval from Congress each year.

Under mandatory funding, VA health care would be funded by law for all enrollees who meet the eligibility requirements, guaranteeing yearly appropriations for the earned health care benefits of

enrolled veterans.

The American Legion is pleased to support legislation pending in the 109th Congress that would establish a system of capitation-based funding for VHA by combining the total enrolled veteran population with the number of non-veterans who received services from VHA, then dividing that number into 120 percent of the current VHA budget or to another amount, depending on the bill. This baseline per-capita amount is then adjusted for medical inflation each year and is multiplied by the veteran and non-veteran population for the prior fiscal year to arrive at a total budget for VHA for each succeeding fiscal year. This new funding system would provide the bulk of VHA's Medical Services funding, except funding of the State Extended Care Facilities Construction Grant Program, which would be separately authorized, and third-party reimbursements. Annual funding would be without fiscal year limitation, meaning that any savings VHA realized in a fiscal year would be retained rather than returned to the Treasury, providing VHA with incentives to develop efficiencies and creating a pool of funds for enhanced services, needed capital improvements, expanded research and development and other purposes.

The Veterans Health Administration is now struggling to maintain its global preeminence in 21st century health care with funding methods that were developed in the 19th century. No other modern health care organization could be expected to survive under such a system. The American Legion believes that health care rationing for veterans must end. It is time to guarantee health care funding for all veterans.

Mr. Chairman, as a member of the Partnership for Veterans Health Care Budget Reform, we strongly encourage you to hold a hearing on the VA funding process to explore the best way to meet the budgetary needs of VA health care.

#### **MEDICAL CARE COLLECTIONS FUND**

The Balanced Budget Act of 1997, P.L. 105-33, established the VA Medical Care Collections Fund (MCCF), requiring that amounts collected or recovered from third party payers after June 30, 1997 be deposited into this fund. The MCCF is a depository for collections from third-party insurance, outpatient prescription co-payments and other medical charges and user fees. The funds collected may only be used for providing VA medical care and services and for VA expenses for identification, billing, auditing and collection of amounts owed the government. In FY 2004, VHA collected \$1.7 billion, a significant increase over the \$540 million collected in FY 2001. In FY 2005 VA collected \$1.9 billion and the VA FY 2006 budget estimate called for \$2.1 billion to supplement appropriations, a 10.8 percent increase over FY 2005. VA's ability to capture these funds is critical to its ability to provide quality and timely care to veterans.

Government Accountability Office (GAO) reports have described continuing problems in VHA's ability to capture insurance data in a timely and correct manner and raised concerns about VHA's ability to maximize its third-party collections. At three medical centers visited, GAO found inability to verify insurance, accepting partial payment as full, inconsistent compliance with collections follow-up, insufficient documentation by VA physicians, insufficient automation and a shortage of qualified billing coders were key deficiencies contributing to the shortfalls. VA should implement all available remedies to maximize its collections of accounts receivable.

Technically, the MCCF is not considered a Treasury offset because the funds collected do not actually go back to the MCCF treasury account, but remain within VHA and are used as operating funds. When developing the agency's budget proposal, the total appropriations request

is reduced by the estimate for MCCF for the fiscal year in question. We fail to see the difference in the net effect on VISNs and VAMCs. Offsetting estimated MCCF funds largely defeats the purpose of realigning VHA's financial model to more closely approximate the private sector.

The American Legion opposes offsetting annual VA discretionary funding by the MCCF recovery.

#### **MEDICARE**

As do all other citizens, veterans pay into the Medicare system without choice throughout their working lives. A portion of each earned dollar is allocated to the Medicare Trust Fund and although veterans must pay into the Medicare system they cannot use their Medicare benefits to reimburse allowable treatment and services received in VA health care facilities. VA, unlike the Department of Defense or Indian Health Services, cannot bill Medicare for the treatment of allowable Medicare eligible veterans' nonservice-connected medical conditions. This prohibition constitutes a multibillion-dollar annual subsidy to the Medicare Trust Fund. The American Legion does not agree with this policy and supports Medicare reimbursement for VHA for the allowable treatment of nonservice-connected medical conditions of enrolled Medicare-eligible veterans.

Mr. Chairman, nowhere in this budget request does VA receive any credit for the real savings in mandatory appropriations through VA not billing Medicare for the care and treatment of Medicare-eligible enrolled veterans. By denying VA the opportunity to bill Medicare for the treatment of Medicare-eligible veterans, the VA is picking up the care and cost of thousands of veteran patients who would otherwise be billing Medicare for treatment from another health care provider.

#### **CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES**

VA's Capital Asset Realignment for Enhanced Service (CARES) has entered into the final steps of the process - implementation and integration. The CARES decision released in May 2004 directed VHA to conduct 18 feasibility studies at those health care delivery sites where final decisions could not be made due to inaccurate and incomplete information. The 18 studies fall into two broad categories: 1) studies of sites where no specific decisions have been made to date for the delivery of health care, i.e., do we decide to merge these facilities or not; and 2) studies of sites where the Secretary's decision defines the health care solution to be implemented, i.e., how to best use or re-use the campus as a capital planning decision. VHA contracted Pricewaterhouse Cooper (PwC) to identify and determine the best approach to provide veterans with health care services equal to or better than is currently provided and evaluate in terms of access, quality, and cost effectiveness, while maximizing any potential re-use of all or portions of the current real property inventory. The entire process was scheduled for 13 months with a completion date of no later than February 2006.

One of the components of the CARES Phase II process was stakeholder input. In order to ensure the concept was not lost during the ongoing studies, Local Advisory Panels (LAPs) were set up at each of the study sites. The membership of the LAPs consist of key stakeholders including community leaders, veterans groups, VA affiliated medical schools and VA representation. The LAPs are to hold four public meetings to gather and share stakeholder input during the yearlong studies. Ideally, PwC and LAPs will work together to develop options that PwC will eventually present to the Secretary. The American Legion was concerned when the first meetings had to be pushed back from March to the end of April. This could only mean that the final decision was

going to be delayed. VA was already behind their established timeline. When the meetings were finally held, The American Legion was present at every single one. We will ensure our presence at all of LAPs throughout the process. The American Legion intends to hold accountable those who are entrusted to provide the best health care services to the most deserving population – the nation's veterans.

The implementation of the CARES decision promises to be long. VA has estimated that it will require \$1 billion per year for the next six years, with continuing substantial infrastructure investments into the future. The American Legion is opposed to CARES funding coming out of the discretionary medical care account. The American Legion believes the CARES implementation must occur in the context of a fully utilized VA health care system. It must take into consideration VA's role in emergency preparedness, organizational capacity for services such as long-term care and Homeland Security. Further, there must be continued oversight of the integration of the CARES process into the strategic planning process. Without that oversight, plans and promised services may be overlooked.

## **MEDICAL CONSTRUCTION AND INFRASTRUCTURE SUPPORT**

### Major Construction

Over the past several years, The American Legion has testified on the inadequacy of funding for VA's major and minor construction programs. This inadequacy has become even more apparent in light of the congressionally imposed moratorium on construction funding during the CARES process. The American Legion is both relieved and encouraged to see that the first two years worth of VA designated high-priority projects include critically needed seismic corrections to nine vulnerable structures in California and Puerto Rico. The American Legion has consistently expressed its concern about veterans being treated in unsafe facilities. There are over 60 patient care and other related use buildings in danger of collapse or heavy damage in the event of an earthquake. The sorely needed seismic corrections, along with the necessary ambulatory care and patient safety projects, will require a significant increase in funding to address VHA's current major construction requirements. We believe these designated seismic projects, other seismic corrections and life safety upgrades, should be dealt with first on an emergency basis.

The American Legion opposes the use of medical care appropriations for construction and urges Congress to separately and fully fund these projects.

### Minor Construction

VA's minor construction program has likewise suffered significant neglect over the past several years. The requirement to maintain the infrastructure of VA's buildings is no small task. When combined with the added cost of the CARES program recommendations and the request for minor infrastructure upgrades in several research facilities, it is easy to see that a major increase over the previous funding level is crucial. We question the transfer of prior-year minor construction funds into CARES. During our site visits to all VHA medical centers over the past three years, we noted a recurrent theme in which facilities managers are routinely forced to divert funds from other priorities to repair roofs, replace boilers and upgrade utilities and life safety and other critical systems. The American Legion believes that these funds should be used for the purposes for which they were intended and that the "transfer authority" does not include monies designated for patient care.

## THE AGING OF AMERICA'S VETERANS

A landmark July 1984 study, Caring for the Older Veteran, predicted that a "wave" of elderly World War II and Korean Conflict veterans would occur some 20 years ahead of the elderly in the general U.S. population and had the potential to overwhelm the VA Long Term Care (LTC) system if not properly planned for. The most recent available data from VA, 2000 Census-based VETPOP2001Adjusted, show there were 25.6 million veterans in 2002. Of that number, 9.76 million, or 37 percent are aged 65 or older. According to the 2003 National Survey of Veteran Enrollees' Health and Reliance on VA enrolled in VA health care 14 percent of the veteran population was under the age of 45, 39 percent were between the ages of 45 and 64, and 47 percent of veterans were 65 years or older. Compared to the 2001 Survey, in which the age distribution was 21 percent, 41 percent and 39 percent, respectively, it is clear that the "demographic imperative" predicted by the 1984 study is now upon us.

The study cited an "imminent need to provide a coherent and comprehensive approach to long-term care for veterans." Twenty-one years hence, the coherent and comprehensive approach called for has yet to materialize. The American Legion supports a requirement to mandate that VA publish a Long Term Care Strategic Plan.

The Veterans Millennium Health Care and Benefits Act of 1999 provided VA authority to act on these projections. Based on an "aging in place" continuum of care model, VA was mandated to begin providing a variety of non-institutional services to aging veterans, including; home-based primary care, contract home health care, adult day health care, homemaker and home health aides, respite care, telehealth and geriatric evaluation and management.

On March 29, 2002, GAO issued a report that stated that nearly two years after The Millennium Act's passage, VA had not implemented its response to the requirements that all eligible veterans be offered adult day health care, respite care and geriatric evaluation. At the time of GAO's inquiry, access to these services was "far from universal." While VA served about one-third of its 3rd Quarter 2001 LTC workload (23,205 out of an Average Daily Census of 68,238) in non-institutional settings, VA only spent 8 percent of its LTC budget on these services. Additionally, VA had not even issued final regulations for non-institutional care, but was implementing the services by issuing internal policy directives, according to GAO. Of 140 VAMCs, only 100 or 71 percent were offering adult day health care in non-institutional settings.

By May 22, 2003, over one year later, GAO testified before the House Veterans' Affairs Subcommittee on Health that things had not improved and that veterans' access to non-institutional LTC was still limited by service gaps and facility restrictions. GAO's assessment showed that for four of the six services, the majority of facilities either did not offer the service or did not provide access to all veterans living in the geographic service area. GAO summed up the problem when it testified that "[f]aced with competing priorities and little guidance from headquarters, field officials have chosen to use available resources to address other priorities."

In the area of nursing home care, VA is equally recalcitrant in implementing the mandates of the Millennium Act. The Act required VA to maintain its in-house Nursing Home Care Unit (NHCU) bed capacity at the 1998 level of 13,391. In 1999 there were 12,653 VA NHCU beds, 11,812 in 2000, 11,672 in 2001, 11,969 in 2002 and 12,339 beds in 2003. VHA estimates it had 11,000 beds in 2004 and projects only 8,500 beds for fiscal year 2005. VA claims that it cannot maintain both the mandated bed capacity and implement all the non-institutional programs required by the Millennium Act. Providing adequate inpatient LTC capacity is good policy and

good medicine.

The American Legion opposes attempts to repeal 38 U.S.C. § 1710B(b).

The American Legion believes that VA should take its responsibility to America's aging veterans much more seriously and provide the quality of care mandated by Congress. Congress should do its part and provide adequate funding to VA to implement its mandates.

#### State Extended Care Facility Construction Grants Program

Since 1984, nearly all planning for VA inpatient nursing home care has revolved around State Veterans Homes (SVHs) and contracts with public and private nursing homes. The reason for this is obvious; for fiscal year 2004 VA paid a per diem of \$59.48 for each veteran it places in SVHs, compared to the \$354.00 VA said it cost in FY 2002 to maintain a veteran for one day in its own NHCUs.

Under the provisions of title 38, U.S.C., VA is authorized to make payments to states to assist in the construction and maintenance of SVHs. Today, there are 109 SVHs in 47 states with over 23,000 beds providing nursing home, hospital, and domiciliary care. Grants for Construction of State Extended Care Facilities provide funding for 65 percent of the total cost of building new veterans homes. Recognizing the growing long-term health care needs of older veterans, it is essential that the State Veterans Home Program be maintained as a viable and important alternative health care provider to the VA system. State authorizing legislation has been enacted and state funds have been committed. The West Los Angeles State Veterans Home, alone, is a \$125 million project. Delaying this and other projects will result in cost overruns from increasing building materials costs and may lead states to cancel these much-needed facilities.

The American Legion supports increasing the amount of authorized per diem payments to just 50 percent for nursing home and domiciliary care provided to veterans in State Veterans Homes. The American Legion also supports the provision of prescription drugs and over-the-counter medications to State Homes Aid and Attendance patients, along with the payment of authorized per diem to State Veterans Homes. Additionally, VA should allow for full reimbursement of nursing home care to 70 percent service-connected veterans or higher, if the veteran resides in a State Veterans Home.

#### **MEDICAL SCHOOL AFFILIATIONS**

VHA and its medical school affiliates have enjoyed a long-standing and exemplary relationship for nearly 60 years that continues to thrive and evolve to the present day. Currently, there are 126 accredited medical schools in the United States. Of these, 107 have formal affiliation agreements with VA Medical Centers (VAMCs). More than 30,000 medical residents and 22,000 medical students receive a portion of their medical training in VA facilities annually. VA estimates that 70 percent of its physician workforce has university appointments. At some medical schools, 95 percent of medical staff at affiliated VAMCs has dual appointments.

VHA conducts the largest coordinated education and training program for health care professions in the nation and medical school affiliations allow VA to train new health professionals to meet the health care needs of veterans and the nation. Medical school affiliations have been a major factor in VA's ability to recruit and retain high quality physicians and to provide veterans access to the most advanced medical technology and cutting edge research; VHA research has made

countless contributions to improve the quality of life for veterans and the general population.

The American Legion affirms its strong commitment and support for the mutually beneficial affiliations between VHA and the medical schools of this nation.

### **MEDICAL AND PROSTHETICS RESEARCH**

VA's Medical and Prosthetic Research Service has a history of productivity in advancing medical knowledge and improving health care not only for veterans, but all Americans. VA research has led to the creation of the cardiac pacemaker, nicotine patch, and the Computerized Axial Tomography (CAT) scan, as well as other medical breakthroughs. Most recently, VA research has shown that an experimental vaccine against shingles prevented about 51 percent of cases of shingles, a painful nerve and skin infection, and dramatically reduced its severity and complications in vaccinated persons who got shingles. Over 3800 VA physicians and scientists conduct more than 9,000 research projects each year involving more than 150,000 research subjects.

The American Legion supports adequate funding for VA research activities, including basic biomedical research as well as bench-to-bedside projects. Congress and the Administration should encourage acceleration in the development and initiation of needed research on conditions that significantly affect veterans - such as prostate cancer, addictive disorders, trauma and wound healing, post-traumatic stress disorder, rehabilitation, and others jointly with the Department of Defense (DoD), the National Institutes of Health (NIH), other Federal agencies, and academic institutions.

### **HOMELESS VETERANS**

VA has estimated that there are at least 250,000 homeless veterans in America and approximately 500,000 veterans experience homelessness in a given year. Most homeless veterans are single men; however, the number of single women with children has drastically increased within the last few years. Homeless female veterans tend to be younger, are more likely to be married, and are less likely to be employed. They are also more likely to suffer from serious psychiatric illness.

Approximately 40 percent of homeless veterans suffer from mental illness and 80 percent have alcohol or other drug abuse problems. It cannot go unnoticed that the increase in homeless veterans coincides with the under-funding of VA health care, which resulted in the downsizing of inpatient mental health capabilities in VA hospitals across the country. Since 1996, VA has closed 64 percent of its psychiatric beds and 90 percent of its substance abuse beds. It is no surprise that many of these displaced patients end up in jail, or on the streets. The American Legion applauds VA's recent plan to restore a good portion of this capacity. The American Legion believes there should be a focus on the prevention of homelessness, not just measures to respond to it. Preventing it is the most important step to ending it.

The American Legion has a vision to assist in ending homelessness among veterans, by ensuring services are available to respond to veterans and their families in need before they experience homelessness. Towards that objective, The American Legion in partnership with the National Coalition for Homeless Veterans created a Homeless Veterans Task Force in the fall of 2002. The

mission of the Task Force is to develop and implement solutions to end homelessness among veterans through collaborating with government agencies, homeless providers and other veteran service organizations. In the last two years, 16 homeless veterans workshops were conducted during The American Legion National Leadership Conferences, National Convention and Mid-Winter Conferences. Currently, there are 51 Homeless Veterans Chairpersons within The American Legion who act as liaison to federal, state and community homeless agencies and monitor fundraising, volunteerism, advocacy and homeless prevention activities within participating American Legion Departments. The American Legion Homeless Veterans Outreach Award is presented to the Department that made the greatest effort to end veteran homelessness within their area. At this year's National Convention, the Department of Indiana was presented this award.

The current Administration has vowed to end the scourge of homelessness within ten years. The clock is running on this commitment, yet words far exceed deeds. While less than nine percent of the nation's population are veterans, 34 percent of the nation's homeless are veterans and of those 75 percent are wartime veterans.

Homelessness in America is a travesty. Veterans' homelessness is a national disgrace. Left unattended and forgotten, these men and women, who once proudly wore the uniforms of this nation's armed forces and defended her shores, are now wandering streets in desperate need of medical and psychiatric attention and financial support. While there have been great strides in ending homelessness among America's veterans, there is much more that needs to be done. We must not forget them. The American Legion supports funding that will lead to the goal of ending homelessness in the next ten years.

#### Homeless Providers Grant and Per Diem Program Reauthorization

In 1992, VA was given authority to establish the Homeless Providers Grant and per Diem Program under the Homeless Veterans Comprehensive Services Programs Act of 1992, P.L. 102-590. The Grant and Per Diem Program is offered annually (as funding permits) by the VA to fund community agencies providing service to homeless veterans.

The American Legion strongly supports changing the grant and Per Diem Program to be funded on a five-year period instead of annually. The American Legion also supports a funding level increased to the \$200 million level annually.

## **ENVIRONMENTAL EXPOSURES**

#### Agent Orange

One of the top priorities of The American Legion continues to be that the long overdue major epidemiological studies of Vietnam veterans, exposed to the herbicide Agent Orange, are carried out. In the early 1980s, Congress held hearings on the need for such epidemiological studies. The Veterans' Health Programs Extension and Improvement Act of 1979, P.L. 96-151 directed VA to conduct a study of long-term adverse health effects in veterans who served in Vietnam as a result of exposure to herbicides. When VA was unable to do the job, the responsibility was passed to the Centers for Disease Control (CDC). In 1986, CDC also abandoned the project, asserting that a study could not be conducted based on available records.

The American Legion did not give up. Now, three separate panels of the National Academy of

Sciences have agreed with The American Legion and concluded that CDC was wrong and that epidemiological studies based on DoD records are possible.

The Institute of Medicine (IOM) report, entitled Characterizing Exposure of Veterans to Agent Orange and Other Herbicides Used in Vietnam, is based on the research carried out conducted by a Columbia University team. Headed by principal investigator Dr. Jeanne Mager Stellman, the team has developed a powerful method for characterizing exposure to herbicides in Vietnam. The American Legion is proud to have collaborated in this research effort. In its final report on the study, the IOM urgently recommends that epidemiological studies be undertaken now that an accepted exposure methodology is available. The American Legion strongly endorses that report.

The American Legion is also extremely concerned about the timely disclosure and release of all information by DoD on the use and testing of herbicides in locations other than Vietnam during the war. Over the years, The American Legion has represented veterans who claim to have been exposed to herbicides in places other than Vietnam. Without official acknowledgement by the government of the use of herbicides, proving such exposure is virtually impossible. Information has come to light in the last few years leaving no doubt that Agent Orange, and other herbicides contaminated with dioxin, were released in locations other than Vietnam. This information is slowly being disclosed by DoD and provided to VA.

In April 2001, officials from DoD briefed VA on the use of Agent Orange along the Korean demilitarized zone (DMZ) from April 1968 through July 1969. It was applied through hand spraying and by hand distribution of pelletized herbicides to defoliate the fields of fire between the front line defensive positions and the south barrier fence. The size of the treated area was a strip 151 miles long and up to 350 yards from the fence to north of the civilian control line. According to available records, the effects of the spraying were sometimes observed as far as 200 meters downwind. Original estimates projected as many as 80,000 troops were possibly exposed during this period. This number was later reduced to 12,056. DoD identified the units that were stationed along the DMZ during the period in which the spraying took place. This information was given to VA's Compensation and Pension Service, which in turn provided it to all 58 regional offices. VA Central Office has instructed its Regional Offices to concede exposure for veterans who served in the identified units during the period the spraying took place.

In January 2003, DoD provided VA with an inventory of documents containing brief descriptions of records of herbicides used at specific times and geographic locations outside of Vietnam. The information, unlike the information on the Korean DMZ, does not contain units' involved or individual identifying information. Also, according to VA, this information is incomplete, reflecting only 70 to 85 percent of herbicide use, testing and disposal locations outside of Vietnam. VA requested that DoD provide it with information regarding the units involved with herbicide operations or other information that may be useful to place veterans at sites where herbicide operations or testing was conducted.

Obtaining the most accurate information available concerning possible exposure is extremely important for the adjudication of herbicide-related disability claims of veterans claiming exposure outside of Vietnam. For herbicide-related disability claims, veterans who served in Vietnam during the period of January 9, 1962 to May 7, 1975 are presumed by law to have been exposed to Agent Orange. Veterans claiming exposure to herbicides outside of Vietnam are required to submit proof of exposure. This is why it is crucial that all information pertaining to herbicide use, testing, and disposal in locations other than Vietnam be released to VA in a timely

manner.

Congressional oversight is needed to ensure that additional information identifying involved personnel or units for the locations already known by VA is released by DoD as well as all relevant information pertaining to other locations that have yet to be identified. Locating this information and providing it to VA must be a priority.

#### Gulf War Illness

Hallmark legislation was enacted in 1994 to ensure compensation for Gulf War veterans suffering from unexplained illnesses. Although the Persian Gulf War Veterans' Benefits Act Veterans' Benefits Improvements Act of 1994, P.L. 103-446, looked good on paper, a 75 percent denial rate was the reality for sick Gulf War veterans seeking VA service connection for Gulf War-related undiagnosed illness. As a result, The American Legion supported legislation to amend title 38 with the goal of correcting this problem.

Despite the enactment of the Veterans Education and Benefits Expansion Act of 2001, P.L. 107-103, clarifying and expanding the definition of undiagnosed illness by including medically unexplained chronic multi-symptom illness, such as chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome, the denial rate for these claims remains very high. The restrictive nature of VA's final rule, published in the Federal Register on June 10, 2003, implementing P.L. 107-103 will likely reinforce this pattern.

We urge both the House and Senate Veterans' Affairs Committees to conduct oversight of the Gulf War-related provisions of P.L. 107-103.

In January 2003, the then-Secretary of Veterans Affairs requested that the IOM review medical and scientific literature on the long-term health effects of sarin published since its initial report on sarin in September 2000. In its 2000 report, the IOM concluded that there was insufficient evidence to determine if an association exists between exposure to sarin, at levels too low to cause acute symptoms, and subsequent long-term adverse health effects. The IOM recommended that studies using laboratory animals be conducted to explore long-term health effects of acute short-term sarin exposure at levels that do not cause immediate acute symptoms. Subsequent to the September 2000 report, studies conducted by the U.S. Army Medical Research Institute of Chemical Defense found that low-level sarin exposure causes long-term health effects in animals.

On August 20, 2004, IOM completed its review of all available peer-reviewed literature. Once again, IOM was unable to rule-out low level sarin exposure as a possible cause of long-term adverse health effects in Gulf War veterans. As in its 2000 report, IOM concluded that there is still insufficient/inadequate evidence to determine whether an association does or does not exist between sarin, at levels too low to cause immediate acute symptoms, and subsequent long-term adverse health effects.

Recent revelations involving the number of military personnel potentially exposed to sarin following the demolition of an Iraqi munitions storage complex in Khamisiyah, Iraq, in March 1991, makes this research imperative. On June 1, 2004, the Government Accountability Office (GAO) confirmed its June 2003 preliminary findings in a final report titled: Gulf War Illnesses: DOD'S Conclusions about U.S. Troops' Exposure Cannot Be Adequately Supported. Due to the unreliability of DoD plume modeling, GAO determined that DoD's conclusions about the number of troops exposed are highly questionable. DoD models estimated that approximately

100,000 military personnel were potentially exposed to low-levels of nerve agent. According to GAO, as many as 350,000 U.S. military personnel may have been exposed to nerve agents in Iraq. GAO also concluded that given the weak data, further modeling efforts would not be any more accurate or helpful.

In July 2005, IOM released its study on mortality in Khamisiyah veterans, titled Mortality in US Army Gulf War Veterans Exposed to 1991 Khamisiyah Chemical Munitions Destruction. The researchers, comparing the mortality of exposed veterans with unexposed veterans, found no significant difference, with one exception—exposed veterans exhibited an increased risk of brain cancer deaths. The 2000 plume model was used to identify both groups of veterans. While researchers note that sarin and cyclosarin are not known carcinogens, this finding may be an indication that low-level sarin exposure can produce long-term adverse health effects in Gulf War veterans.

GAO's investigation clearly invalidates DoD's modeling efforts as well as the usefulness of any future efforts, and suggests the number of troops exposed to nerve agents is likely much greater than estimated by DoD, and that an increase in brain cancer deaths has been identified as unique among those presumed to be exposed during the demolition at Khamisiyah. The American Legion urges that a presumption of exposure be granted for every service member in the region at the time of the demolition.

In 2003, VA and DoD released a study on amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease) a fatal neurodegenerative disease affecting nerve cells in the brain, brain stem, or the spinal cord. Researchers found that deployed Gulf War veterans are twice as likely as their non-deployed counterparts to develop ALS. The Secretary of VA responded to this finding by offering Gulf War ALS cases expeditious adjudication—on a direct service connection basis. VA determined that it would be premature at this time to create a regulatory presumption for service connection for Gulf War veterans with ALS. A one-year presumptive period is assigned for this disease.

ALS is characterized by the loss of the ability to speak, swallow, chew and breath, and muscle weakening to the point of paralysis. Initial onset of the disease varies in time and degree. Symptoms may be mild, or the condition may appear dormant with little or no progression for years. Indicators may be so mild—that they may be disregarded or misdiagnosed. Since Gulf War veterans are twice as likely to develop ALS and symptoms may have delayed manifestation, legislation is needed to protect Gulf War veterans who may become ill with this disease in the future.

ALS needs to be added to the presumptive list of illness for Gulf War veterans and the presumptive period needs to be extended to seven years following discharge from active duty.

#### Atomic Veterans

Since the 1980s, claims by atomic veterans exposed to ionizing radiation for a radiogenic disease, for conditions not among those listed in title 38, U.S.C. § 1112 (c)(2), have required an assessment to be made by the Defense Threat Reduction Agency (DTRA) as to nature and amount of the veteran's radiation dosing. Under this guideline, when dose estimates provided are reported as a range of doses to which a veteran may have been exposed, exposure at the highest level of the dose range is presumed. From a practical standpoint, VA routinely denied the claims by many atomic veterans on the basis of dose estimates indicating minimal or very low-level radiation exposure.

As a result of the court decision in National Association of Radiation Survivors v. VA and studies by GAO and others of the U.S.'s nuclear weapons test program, the accuracy and reliability of the assumptions underlying DTRA's dose estimate procedures have come into question. On May 8, 2003, the National Research Council's Committee to Review the DTRA Dose Reconstruction Program released its report. It confirmed the complaints of thousands of atomic veterans that DTRA's dose estimates have often been based on arbitrary assumptions resulting in underestimation of the actual radiation exposures. Based on a sampling of DTRA cases, it was found that existing documentation of the individual's dose reconstruction, in a large number of cases, was unsatisfactory and evidence of any quality control was absent. The committee concluded their report with a number of recommendations that would improve the dose reconstruction process of DTRA and VA's adjudication of radiation claims.

The American Legion was encouraged by the mandate for a study of the dose reconstruction program; nonetheless, we are concerned that the dose reconstruction program may still not be able to provide the type of information that is needed for atomic veterans to receive fair and proper decisions from VA. Congress should not ignore the National Research Council's findings and other reports, that dose estimates furnished VA by DTRA over the past fifty years have been flawed and have prejudiced the adjudication of the claims of tens of thousands of atomic veterans. It remains practically impossible for atomic veterans or their survivors to effectively challenge a DTRA dose estimate. The American Legion believes that the dose reconstruction program should not continue.

We urge the enactment of legislation to eliminate this provision in the claim of a veteran with a recognized radiogenic disease who was exposed to ionizing radiation during military service.

#### Project 112 / Project SHAD

In June 2003, DoD completed its nearly three year investigation of Project 112, an extensive series of land based tests conducted between 1962 and 1973 to determine the vulnerability of U.S. military personnel to biological and chemical warfare attacks, and Operation Shipboard Hazard and Defense (SHAD), the shipboard portion of Project 112. On August 14, 2003, DoD submitted its report on the completion of its investigation on Project 112/SHAD to Congress.

The American Legion reiterates our concerns over the completion of the active investigation despite the promise that DoD's Deployment Health Support Directorate will continue to respond to questions and concerns regarding Project 112/SHAD and will investigate any new information brought to its attention in the future. DoD noted early in its investigation that some Project 112/SHAD files had been destroyed. DoD also noted that the term SHAD was not universally used to categorize the tests and it does not appear that DoD can guarantee that there were not other tests referred to by other names that were part of the same series.

According to DoD, only 50 of 134 planned tests were actually conducted. DoD identified 5,842 participants and forwarded the names to VA. When located, VA informs the veterans by letter of the test they participated in and encourages them to visit a VA medical facility if they have any health concerns. Many veterans received multiple letters due to their participation in more than one test.

In 2002, VA requested IOM to conduct an epidemiological study to determine if veterans are suffering from long-term health problems related to their participation in Project 112/SHAD. This study is scheduled for completion in September 2005. In the meantime, ill veterans claiming service connection for disabilities they believe are related to their involvement in Project

112/SHAD are being denied compensation benefits.

In the time it takes VA to locate and notify Project 112/SHAD participants identified by DoD, the number of ill veterans seeking health care and compensation from VA will increase. DoD may have ended its investigation but the ramifications of Project 112/SHAD will remain indefinitely.

Thus, it is extremely important that Congress continue its oversight of this issue to ensure that Project 112/SHAD veterans are not abandoned.

#### Mustard Gas and Lewisite Exposure

In March 2005, the VA initiated a national outreach effort to locate veterans who had been exposed to mustard gas and Lewisite as participants in chemical warfare testing programs while in the military. The purpose of the testing programs was to evaluate the effectiveness of various types of protective clothing, ointments and equipment that could be used to protect American soldiers on the battlefield. Some participants were exposed during full-body exposure wearing various degrees of protective gear and some were tested by having a droplet of the agent applied to their forearms. For this recent initiative, VA is targeting veterans who have been newly identified by DoD for their participation in the testing, most of which had participated in programs conducted during WWII. DoD estimated 4,500 service members had been exposed.

Since the most recent VA outreach effort was announced, The American Legion has been contacted by veterans who contend that the number of participants identified was understated by tens of thousands, and that participation in these clandestine chemical programs extended decades beyond the World War II era. As with Project 112/SHAD, investigators did not always maintain thorough records of the events, adverse health effects were not always annotated in the service members' medical records, and participants were warned not to speak of the program. Without adequate documentation of their participation, participants may not be able to prove that their current ailments are related to the testing. It is important that DoD commit to investigating these claims as they arise to see if they have merit. It is also important that VA commit to locating those identified by DoD in a timely manner, as many of them are WWII era veterans.

Congressional oversight may be necessary to ensure that these veterans are granted the consideration they deserve.

#### Hepatitis C

Hepatitis C is an ongoing national health crisis. According to VA, the rate of veterans with Hepatitis C is at least three times higher than the rate of the general population, with Vietnam veterans, in particular, being a high-risk group. This problem is presenting a major challenge for VHA. Delaying or withholding Hepatitis C testing and treatment can lead to cirrhosis of the liver, liver cancer, liver failure and death among veterans. This would place further demands on the already overburdened VHA system. VHA should have the resources necessary to identify and treat all veterans at risk for or who have hepatitis C.

Even though VHA has scaled back many of its Hepatitis C initiatives, it is continuing internal education efforts directed at VHA health care providers and patients. It is continuing to develop data from ongoing screening of veterans' health records. To the extent possible, VHA is utilizing the latest treatment modalities, which has shown promising results. There are also a number of recently initiated research projects underway to learn more about the risk factors associated with this virus.

The American Legion believes that Congress has a legislative role in responding to the Hepatitis C challenge.

## NATIONAL CEMETERY ADMINISTRATION

The National Cemetery Administration (NCA) is charged with meeting the interment needs of the nation's veterans and their eligible dependents. NCA is striving to meet its accessibility goal of 90 percent of all veterans living within 75 miles of open national or state veterans cemeteries. There are approximately 14,200 acres within established installations in NCA. Just over half are undeveloped and, with available gravesites in developed acreage, have the potential to provide more than 3.6 million gravesites. More than 301,050 full-casket gravesites, 58,500 in-ground gravesites for cremated remains, and 37,900 columbarium niches are available in already developed acreage in our 120 national cemeteries.

### National Cemetery Expansion

The NCA's budget proposal totaled \$161 million and 1,589 FTE for fiscal year 2007. The FY 2007 outlay proposal earmarks \$53 million for major and \$25 million for minor construction. This reflects cemetery expansion projects in Dallas/Fort Worth and Saratoga, NY as well as Phase 1B development at Great Lakes.

The American Legion supported P.L. 108-109, the National Cemetery Expansion Act of 2003 authorizing VA to establish new national cemeteries to serve veterans in the areas of: Bakersfield, Calif.; Birmingham, Ala.; Jacksonville, Fla.; Sarasota County, Fla.; southeastern Pennsylvania; and Columbia-Greenville, S.C. All six areas have veteran populations exceeding 170,000, which is the threshold VA has established for new national cemeteries.

Congress must provide sufficient major construction appropriations to permit NCA to accomplish its stated goal of ensuring that burial in a national or state cemetery is a realistic option by locating cemeteries within 75 miles of 90 percent of eligible veterans.

### National Shrine Commitment

Maintaining cemeteries as National Shrines is one of NCA's top priorities. This commitment involves raising, realigning and cleaning headstones and markers to renovate gravesites. The work that has been done so far has been outstanding; however, adequate funding is key to maintaining this very important commitment. At the rate that Congress is funding this work, it will take twenty-eight years to complete. The American Legion supports NCA's goal of completing the National Shrine Commitment in five years. This Commitment includes the establishment of standards of appearance for national cemeteries that are equal to the standards of the finest cemeteries in the world. Operations, maintenance and renovation funding must be increased to reflect the true requirements of the NCA to fulfill this Commitment.

### State Cemetery Construction Grants Program

The FY 2007 budget requested \$32 million for State Veterans Cemetery Grant Program. This is "no-year money" and so any monies not spent in the previous fiscal year can be carried over into the next fiscal year. Grants for state-owned and operated cemeteries can be used to establish, expand and improve on existing cemeteries. States are planning to open 18 new state cemeteries between 2007 and 2010.

Individual states are encouraged to pursue applications for the State Cemetery Grants Program. Fiscal commitment from the state is essential to keep the operation of the cemetery on track. NCA estimates it takes about \$300,000 a year to operate a state cemetery.

### **BLINDED VETERANS**

There are currently over 38,000 blind veterans enrolled in the VA health care system. Additionally, demographic data suggests that in the United States, there are over 135,000 veterans with low vision problems. Due to staffing shortages, over 1,500 blind veterans will wait months to get into one of the ten blind rehabilitative centers. VA currently employs twenty-six Blind Rehabilitative Outpatient Specialists (BROS) to provide services in twenty medical centers. The training BROS provide is critical to the continuum of care for blind veterans.

The Department of Defense (DoD) medical system does not have blind rehabilitative services and therefore depends on VA to provide the services needed for these soldiers. There is only one BROS for the Washington/Baltimore VAMC who covers both Walter Reed Army Medical Center and Bethesda Naval Medical Center. Additionally, of the four Poly Trauma Centers VA has established to treat injured soldiers returning from OEF/OIF, only Palo Alto has a BROS.

Given the critical skills that a BROS teaches to help blind veterans and their families adjust to such a devastating injury, clearly VA must recruit more of these specialists.

### **VETERANS BENEFITS ADMINISTRATION**

There are currently almost 2.6 million veterans receiving disability compensation and VA reports that this number is increasing at a rate of 5,000 to 7,000 per month. A majority of these claims involve multiple issues that are legally and medically complex and time consuming to adjudicate. Whether a case is complex or simple, these offices are expected to develop and adjudicate veterans' and survivors' claims in a fair, legally proper and timely manner.

#### Claims Backlog

In September 2003, VA reduced its claims backlog to 253,000, just short of former Secretary Principi's promised target level of 250,000 cases. Claims processing times were also trending down toward the 100-day goal and the error rate was improving. From VBA's perspective, these results showed that regional office service had improved dramatically. Part of Secretary Principi's promise was, once the backlog goal had been achieved, VBA would be able to shift time and attention to improving the quality of claims adjudication. Unfortunately, experience has once again shown that "faster is not always better."

Since judicial review of veterans' claims was enacted in 1988, of those cases appealed to the United States Court of Appeals for Veterans Claims (CAVC), the remand rate historically has been about fifty percent. In a series of precedent setting decisions by the CAVC and the United States Court of Appeals for the Federal Circuit, the courts have invalidated a number of longstanding VA policies and regulations because they were not consistent with statute.

These court decisions immediately added thousands of cases to regional office pending workloads, since they require the review and reworking of tens of thousands of completed and pending claims. As of January 28, 2006, there were more than 365,000 rating cases pending in the VBA system. Of these cases, 93,961(25.7 percent) have been pending for more than 180 days.

### Lack of Quality Decision Making in VBA

The adequacy of regional office staffing has as much to do with the actual number of personnel as it does with the level of training and competency of the adjudication staff. VBA has lost much of its institutional knowledge base over the past four years, due to the retirement of many of its 30-plus year employees. As a result, staffing at most regional offices is now made up mostly of trainees, with less than five years of experience. Over this same period, as regional office workload demands escalated, these trainees have been put into production units as soon as they completed their initial training.

Concern over adequate staffing in VBA to handle its demanding workload was addressed by VA's Office of the Inspector General (IG) in a report released on May 19, 2005. The IG specifically recommended, "in view of growing demand, the need for quality and timely decisions, and the ongoing training requirements, reevaluate human resources and ensure that the VBA field organization is adequately staffed and equipped to meet mission requirements." Additionally, the chairman of the newly established Veterans' Disability Benefits Commission questioned the Under Secretary for Benefits about the adequacy of current staffing levels during a Commission meeting in July 2005. The Undersecretary conceded that the number of personnel has decreased slightly over the last three years. The Chairman requested that he provide a fact paper on how many employees are needed to adequately deal with VA's growing claims backlog.

The American Legion's visits to regional offices have found that, frequently, there have been too few supervisors or inexperienced supervisors to provide trainees necessary mentoring, training, and quality assurance. In addition, at many stations, ongoing training for the new hires as well as the more experienced staff would be postponed or suspended, so as to focus maximum effort on production. Despite the fact that VBA's policy of "production first" has resulted in many more veterans getting faster action on their claims, the downside has been that tens of thousands of cases have been prematurely and arbitrarily denied.

It is concerning that 65 percent of VA raters and Decision Review Officers (DRO) surveyed by the IG, in conjunction with its May 2005 report, admitted that they did not have enough time to provide timely and quality decisions. In fact, 57 percent indicated that they had difficulty meeting production standards if they took time to adequately develop claims and thoroughly review the evidence before making a decision. As a consequence, the appeals burden at the regional offices, the Board of Veterans' Appeals (Board or BVA) and the Appeals Management Center (AMC) continues to grow. What must also be kept in mind is that there is a disabled veteran, most often with a family, behind each one of these appeals, who has been fighting the VA system for a year, two years, or more to get what he or she feels they are rightfully entitled to.

### Appeals Management Center

In an effort to address the large remand backlog in the Department of Veterans Affairs appellate system, the Secretary of Veterans Affairs, in February 2002, issued a final regulation permitting the BVA to develop or cure procedural defects without remanding the appeal to the agency of original jurisdiction (AOJ). The BVA subsequently created the Evidence Development Unit to assist reducing remands. In May 2003, the United States Court of Appeals for the Federal Circuit invalidated the portion of the regulation authorizing the BVA to develop rather than remand cases. The Secretary then directed that remands be centralized within the Veterans Benefits Administration. The result of the centralization was to create the Appeals Management Center

(AMC) to develop and adjudicate BVA remands.

The AMC, the purpose of which is to provide more expeditious action on remands and also to relieve the regional offices of the workload burden associated with remands, basically functions as a national regional office for this type of case. However, VBA's goal of providing expeditious action on remands has faced serious roadblocks from the very beginning of the AMC's existence. When the AMC, located at the Washington, D.C. Regional Office, opened its doors in late 2003, it assumed responsibility for more than 16,000 remands, approximately 9,000 of which were previously under the control of the BVA's Evidence Development Unit. All BVA remands, except for approximately four percent, are now being sent directly to the AMC.

In late 2004, VBA, inundated with an overwhelming AMC backlog, established AMC Resource Centers (RC) at its regional offices in St. Petersburg (FL), Cleveland (OH), and Huntington (WV) as a "temporary measure" to assist with the approximately 25,000 remands pending in the AMC system at that time. Although the number of overall AMC remands has been reduced slightly since the establishment of the RCs, the AMC backlog is still extremely large and, as a result, resource centers will continue to receive work, mostly cases that have been "fully developed" and considered "ready to rate," from the AMC until the backlog is at a manageable level. There are currently more than 15,000 remands pending in the AMC system, 11,701 of which are located at the AMC in Washington, D.C., with the rest distributed among the three RCs.

While the AMC is an admirable attempt by VBA to improve service to veterans, it has had an unmanageable backlog from the very beginning and it is doubtful whether it will ever be able to gain any real control over this problem. Moreover, it does nothing to address the problems underlying the continued rise in the number of appeals and remands by the Board of Veterans' Appeals. In our view, the very necessity of the AMC's existence begs the question – why hasn't VBA mandated the regional offices to correct their own mistakes?

This new super regional office is now responsible for correcting errors that the regional offices were unwilling or unable to do. However, the AMC has no authority to prevent the same type of error, which prompted the appeal and remand, from occurring again. It is worth noting that regional offices did not receive any work credit for remand actions. This should have been an incentive for local management to try and improve decision-making and avoid appeals and potential remands. Experience has shown just the opposite.

Since production work on new claims were the highest priority and there was no work credit for remands, many regional offices simply ignored their appellate workload with remands pending for two and three years. Now, there is still no clear incentive for the regional offices to improve quality. They are continuing to forward new cases to the Board where a large percent are being remanded to the AMC. VBA must ensure that the regional offices are held accountable for the poor quality of initial decision-making and development of appeals and not allow them to shift the workload onto the Board of Veterans' Appeals and, ultimately, the AMC.

#### Board of Veterans' Appeals

The BVA is a separate entity within VA. Its responsibility is to render a final decision on the propriety of a regional office decision. If the Board determines a final decision cannot be made on a case due to inadequate or incomplete development, including lack of due process, it has the authority to remand the case back to agency of original jurisdiction, which now includes the AMC, for additional required development and readjudication.

Regional office appeals and dispositions by the Board are a direct reflection of the level of claimant satisfaction or dissatisfaction with and confidence or lack thereof in the fairness and propriety of regional office adjudication. It is, therefore, painfully obvious that the level of dissatisfaction is substantial and growing, in view of the increasing number of new appeals coming into the system.

As of January 28, 2006, there were more than 152,000 cases in appellate status in the regional offices with more than 129,000 requiring some type of further adjudicative action. Moreover, almost 33,000 appeals are currently pending at the BVA. Of equal concern is the fact that, in FY 2005, the Board issued 34,182 decisions and, of these, the regional offices' decisions were affirmed or upheld in only 38 percent of the cases. The Board overturned the regional offices' decisions completely in approximately 20 percent of the cases and remanded about 39 percent of the appeals to the AMC for additional development and readjudication. The quality of regional office adjudication is totally unacceptable. It represents a tremendous waste of Federal government resources – time, effort, and taxpayers' money.

To ensure VA and VBA are meeting their responsibilities; The American Legion strongly urges Congress to scrutinize VBA's budget requests more closely. Given current and projected future workload demands, regional offices clearly will need more rather than fewer personnel and The American Legion is ready to support additional staffing.

VBA must be required to provide better justification for the resources it says are needed to carry out its mission and, in particular, how it intends to improve the level of adjudicator training, job competency, and quality assurance.

#### Veterans' Disability Benefits Commission

The purpose of the Commission, mandated by the Defense Authorization Act of 2004, P.L. 108-136, is to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service. The Commission is required by law to be comprised of thirteen members, including a chairman. The Speaker of the House, House Minority Leader, Senate Majority Leader and Senate Minority Leader were responsible for nominating two appointments each while the President controlled five nominations. Seven commissioners are required to be a recipients of at least one of the following awards for valor: the Medal of Honor, the Distinguished Service Cross, the Navy Cross, the Air Force Cross or the Silver Star. Five of the current members have these awards, including two who have the Medal of Honor. Although VA will play a supporting role in its work, the Commission is an independent body and VA will not have any control over it or its report to Congress.

P.L. 108-136 required the Commission to submit a report, on its study, to the President and Congress within 15 months after the date of its first meeting. The National Defense Authorization Act for Fiscal Year 2006, signed by the President on January 6, 2006, extended the deadline of the report from August 2006 (the original due date) to October 2007.

Under current law, a chronic disability is considered "service-connected" if it was incurred or aggravated while on active duty and not due to willful misconduct, regardless of the cause of the condition. The establishment of the Commission was the result of a legislative compromise that initially intended to allow full concurrent receipt of VA disability compensation and military longevity retirement by restricting disability compensation only for injuries or diseases that were caused or aggravated during the actual performance of one's military duties. The strict

performance of duty standard was eventually dropped and the legislation was adopted with a 10-year phase in of concurrent receipt for those service-connected military retirees rated 50-100 percent. As a caveat, a provision was included to establish a commission to review the entire VA disability claims process. Key members of Congress and other government officials have publicly expressed their desire to use the Commission as a vehicle to institute radical changes in the VA disability system that would negatively impact and restrict entitlement to benefits for a large number of veterans.

Concerned about the questionable history surrounding the creation of the Commission and the impact its recommendations will undoubtedly have on VA's disability compensation program, American Legion staff, prior to the Commission's first meeting, met with representatives from the other major veteran service organizations (VSOs) to discuss our mutual concerns and strategies for monitoring and responding to the Commission. The VSO community's testimony during the Commission's first meetings earlier this year contained a consistent theme: the veteran community strongly opposes any changes to the current VA compensation program that would limit or otherwise restrict a veteran's entitlement to benefits. In response to the concerns expressed by the VSOs and others, Chairman Scott stated that the Commission did not have a preconceived agenda and its recommendations will be based on a "thorough and objective analysis of the full range of programs that are intended to meet the needs of veterans."

#### PTSD Review

In response to recommendation No. 3 of a May 2005 IG report that found that about 25 percent of the 2,100 PTSD awards it reviewed were based on inadequate evidence of the occurrence of traumatic event, a key requirement in a PTSD claim, VBA quickly announced that it would review all PTSD claims (100 percent schedular and IU) granted from FY 99 through FY 04. This review would have included more than 70,000 cases. On November 10, 2005, after intense scrutiny and criticism from members of Congress and VSOs, VA called off the review.

The American Legion strongly believes that VA's decision to initiate the review was a "knee jerk" reaction to a flawed IG report and we are pleased that Secretary Nicholson eventually decided to do the right thing and call it off. Unfortunately, the public's trust and confidence in VA was damaged by what many saw as an excuse to take away veterans' benefits. Moreover, widespread media coverage of VA's announcement to conduct a large scale PTSD review caused undue stress and aggravation for an untold number of veterans with serious psychiatric conditions.

Not only was the intent of such a review highly questionable as it would only cover claims that were granted, not those that were erroneously or prematurely denied and/or under evaluated, a number that is undoubtedly higher than those that were improperly allowed, it wasn't practical. In light of VBA's staffing issues and an enormous existing backlog of rating claims and appeals, VA simply could not afford to tap its limited resources to conduct a review of more than 70,000 cases that would otherwise not have to be touched. Additionally, announcing it would review thousands of previously granted PTSD cases without fully considering all potential ramifications, or even how such a large-scale review would be conducted, was extremely irresponsible. VA now has the opportunity to address any legitimate problems, identified by the IG, when adjudicating claims that are currently pending and those that are filed in the future.

We are hopeful that VA leadership has learned a lesson from this experience and will take the time to carefully and thoughtfully consider all future recommendations and reports before making important decisions that will have a direct impact on the lives of the nation's veterans and their families.

#### **GI BILL EDUCATION BENEFITS**

The American Legion commends the 108<sup>th</sup> Congress for its actions to improve the current Montgomery GI Bill (MGIB). A stronger MGIB is necessary to provide the nation with the caliber of individuals needed in today's Armed Forces. The American Legion appreciates the efforts that this Congress has made to address the overall recruitment needs of the Armed Forces and to focus on the current and future educational requirements of the All-Volunteer Force.

Over 96 percent of recruits currently sign up for the MGIB and pay \$1,200 out of their first year's pay to guarantee eligibility. However, only one-half of these military personnel use any of the current Montgomery GI Bill benefits. We believe this is directly related to the fact that current GI Bill benefits have not kept pace with the increasing cost of education. Costs for attending the average four-year public institution as a commuter student during the 1999-2000 academic year was nearly \$9,000. On October 1, 2005, the basic monthly rate of reimbursement under MGIB will be raised to \$1,034 per month for a successful four-year enlistment and \$840 for an individual whose initial active duty obligation was less than three years. The current educational assistance allowance for persons training full-time under the MGIB Selected Reserve is \$297 per month.

The Servicemen's Readjustment Act of 1944, P.L. 78-346, the original GI Bill, provided millions of members of the Armed Forces an opportunity to seek higher education. Many of these individuals may not have been afforded this opportunity without the generous provisions of that act. Consequently, these former service members made a substantial contribution not only to their own careers, but also to the economic well being of the country. Of the 15.6 million veterans eligible, 7.8 million took advantage of the educational and training provisions of the original GI Bill. Between 1944 and 1956, when the original GI Bill ended, the total educational cost of the World War II bill was \$14.5 billion. The Department of Labor estimates that the government actually made a profit, because veterans who had graduated from college generally earned higher salaries and, therefore, paid more taxes.

Today, a similar concept applies. The educational benefits provided to members of the Armed Forces must be sufficiently generous to have an impact. The individuals who use MGIB educational benefits are not only improving their career potential, but also, making a greater contribution to their community, state, and nation.

The American Legion recommends the following improvements to the current MGIB:

- **The dollar amount of the entitlement should be indexed to the average cost of a college education including tuition, fees, textbooks, and other supplies for a commuter student at an accredited university, college, or trade school for which they qualify;**
- **The educational cost index should be reviewed and adjusted annually;**
- **A monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package;**

- **Enrollment in the MGIB shall be automatic upon enlistment; however; benefits will not be awarded unless eligibility criteria have been met;**
- **The current military payroll deduction (\$1,200) requirement for enrollment in MGIB must be terminated;**
- **If a veteran enrolled in the MGIB acquired educational loans prior to enlisting in the Armed Forces, MGIB benefits may be used to repay those loans;**
- **If a veteran enrolled in MGIB becomes eligible for training and rehabilitation under Chapter 31, of title 38, United States Code, the veteran shall not receive less educational benefits than otherwise eligible to receive under MGIB;**
- **A veteran may request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments, with the payment provided directly to the educational institution;**
- **Separating service members and veterans seeking a license, credential, or to start their own business must be able to use MGIB educational benefits to pay for the cost of taking any written or practical test or other measuring device;**
- **Eligible veterans shall have 10 years after discharge to utilize MGIB educational benefits; and**
- **Eligible members of the Select Reserves, who qualify for MGIB educational benefits shall receive not more than half of the tuition assistance and subsistence allowance payable under the MGIB and have up to 5 years after their date of separation to use MGIB educational benefits.**

#### **HOME LOAN GUARANTY PROGRAM**

VA's Home Loan Guaranty program has been in effect since 1944 and has afforded approximately 17 million veterans the opportunity to purchase homes. The Home Loan programs offers veterans a centralized, affordable and accessible method of purchasing homes in return for their service to this nation. The program has been so successful over the past years that not only has the program paid for itself but has also shown a profit in recent years. The American Legion believes that it is unfair for veterans to pay high funding fees of 2 to 3 percent, which can add approximate \$3,000 to \$11,000 for a first time buyer. The VA funding fee was initially enacted to defray the costs of the VA guaranteed home loan program. The current funding fee paid to VA to defray the cost of the home loan has had a negative effect on many veterans who choose not to participate in this highly beneficial program. Therefore, The American Legion strongly recommends that the VA funding fee on home loans be reduced or eliminated for all veterans whether active duty, reservist, or National Guard.

#### **Specially Adapted Housing**

The American Legion believes that with the increasing numbers of disabled veterans returning from Iraq and Afghanistan, the need for specially adapted housing is paramount. Therefore, The American Legion strongly recommends that the current \$50,000 grant for specially adapted housing be increased to \$55,000 and special home adaptations be increased from \$10,000 to \$12,300. Specially adapted housing grants are available for the installation of wheel chair ramps,

chair lifts, modifications to kitchens and bathrooms and other adaptations to homes for veterans who cannot move about without the use of wheelchairs, canes or braces or who are blind and suffer the loss or loss of use of one lower extremity. Special home adaptation grants are available for veterans who are legally blind or have lost the use of both hands.

Given the rising costs of construction materials and services, The American Legion is pleased to support pending legislation that would raise these allowances and allow the grants to be paid to adapt the homes of parents or siblings caring for disabled veterans.

## **DEPARTMENT OF LABOR**

### Veterans' Employment And Training Service

The American Legion's position regarding the VETS program is that this is and should remain a national program with Federal oversight and accountability. The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion views the VETS program as one of the best-kept secrets in the Federal government. It is comprised of many dedicated individuals who struggle to maintain a quality program without substantial funding and staffing increases.

Annually, DoD discharges approximately 250,000 service members. Recently separated service personnel are likely to seek immediate employment or are preparing to continue their formal or vocational education. In order for the VETS program to assist these veterans to achieve their goals, it needs to:

- **Improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans.**
- **Provide employers with a labor pool of quality applicants with marketable and transferable job skills.**
- **Provide information on identifying military occupations that require licenses, certificates or other credentials at the local, state, or national levels.**
- **Eliminate barriers to recently separated service personnel and assist in the transition from military service to the civilian labor market.**
- **Strive to be a proactive agent between the business and veterans' communities in order to provide greater employment opportunities for veterans.**

The American Legion believes staffing levels for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) should match the needs of the veteran community in each state and not be based solely on the fiscal needs of the state government. Such services will continue to be crucial as today's active duty service members, especially those returning from combat in Iraq and Afghanistan, transition into the civilian world. Education and vocational training and employment opportunities will enable these veterans to succeed in their future endeavors. Adequate funding will allow the programs to increase staffing to provide comprehensive case management job assistance to disabled and other eligible veterans.

Title 38 U.S.C. § 4103A requires that all DVOP specialists shall be qualified veterans and that preference be given to qualified disabled veterans in appointment to DVOP specialist positions. 38 U.S.C. § 4104(a)(4) states:

“[I]n the appointment of local veterans’ employment representatives on or after July 1, 1988, preference shall be given to qualified eligible veterans or eligible persons. Preference shall be accorded first to qualified service-connected disabled veterans; then, if no such disabled veteran is available, to qualified eligible veterans; and, if no such eligible veteran is available, then to qualified eligible persons.”

The American Legion believes that the military experience is essential to understanding the unique needs of the veteran and that all LVERs, as well as all DVOPs, should be veterans

#### Make TAP/DTAP a Mandatory Program

The Department of Defense estimates that 68 percent of separating service members attend the full TAP seminars and only 35 percent of the reserve components attend. The American Legion believes this low attendance number is a disservice to all transitioning service members especially the reserve component. Presently, countless numbers of National Guard and Reserve troops have returned from the war in Iraq and Afghanistan only to encounter difficulties with their federal and civilian employers at home. In numerous cases brought to the attention of The American Legion by veterans and other sources, many of these returning service members have lost jobs, promotions, businesses, homes, cars and in a few cases become homeless. The American Legion strongly endorses the belief that service members would greatly benefit by having access to the resources and knowledge that the TAP/DTAP can provide.

#### National Veterans Training Institute

Additionally, The American Legion recommends adequate funding for the National Veterans Training Institute (NVTI) budget. The NVTI provides standardized training for all veterans employment advocates in an array of employment and training functions.

#### Service Members Occupational Conversion and Training Act

The American Legion urges the reinstatement of the Service Members Occupational Conversion and Training Act (SMOCTA). SMOCTA was developed as a transitional tool designed to provide job training and employment to eligible veterans discharged after August 1, 1990. Veterans eligible for assistance under SMOCTA were those with a primary or secondary military occupational specialty that DoD has determined is not readily transferable to the civilian workforce; or those veterans with a service connected disability rating of 30 percent or greater.

Eligible veterans received valuable job training and employment services through civilian employers that built upon the knowledge and job skills the veterans acquired while serving in the military. This program not only improved employment opportunities for transitioning service members, but also enabled the federal dollars invested in education and training for active duty service members to be reinvested in the national job market by facilitating the transfer of skills from military service to the civilian workforce.

The American Legion believes SMOCTA should be reauthorized and appropriated in FY 2007.

## **SMALL BUSINESS ADMINISTRATION**

The American Legion views small businesses as the backbone of the American economy. It is the driving force behind America's past economic growth and will continue to be the major factor as we move further into the 21st century. Presently, more than nine out of every ten businesses are small firms, which produce almost one-half of the Gross National Product. Veterans benefits have always included assistance in creating and operating veteran-owned small businesses.

The impact of deployment on self-employed reservists is tragic with a reported 40% of all veteran owned businesses suffering financial losses and in some cases bankruptcies. Many small businesses have discovered they are unable to operate and suffer some form of financial loss when key employees are activated. The Congressional Budget Office in a report "The Effects of Reserve Call-Ups on Civilian Employers" stated that it "expects that as many as 30,000 small businesses and 55,000 self-employed individuals may be more severely affected if their reservist employee or owner is activated" The American Legion is a strong supporter of the "Hope at Home Act of 2005", which is a bipartisan bill that would not only require the federal government to close the pay gap between their Reserves and National Guard service member's civilian and military pay but it would additionally provide tax credits up to \$30,000 for small businesses with service members who are activated.

## **VETERANS PREFERENCE**

A grateful nation, following each war, has indicated its thanks to those who bore the brunt of the battle by providing certain rights and benefits, one of which has been a small advantage when seeking federal, employment; and whereas, absence from a highly competitive job market creates an unfair and unequal burden on veterans upon completion of their military services. In competing with their non-veteran peers, which this preference in federal, employment is intended to overcome in part, The American Legion suggests that the Office of Personnel Management (OPM) which has the task of monitoring compliance of veteran preferences within all federal agencies subject to title 5, U.S.C., create a Office of Veterans Affairs within OPM to ensure that all veterans are getting their employment preferences.

## **FILIPINO VETERANS**

The American Legion believes that the time has come to extend full recognition and benefits to all veterans, American or Filipino, who were part of the defense of the Philippine Islands during World War II. VA, in VETPOP2001 revised, estimated that there were 60,000 surviving Filipino veterans who are classified as Philippine Commonwealth Army, Recognized Guerrilla and New Philippine Scouts veterans, of whom 45,000 reside permanently in the Philippines and 15,000 reside permanently in the U.S.

Of the 45,000 residing in the Philippines, 41,000 do not receive any compensation or pension benefit from VA, and most are sickly, over 70 years old and live below the poverty level. Those veterans living in the Philippines currently receive only 50 cents on the dollar as compensation for their service connected conditions. Veterans of those groups who live in the United States and members of the Regular Commonwealth Army living in the Philippines receive their full entitlement.

The current policy has created a virtual caste system of first and second-class U.S. veterans in the Philippines. These veterans fought, were wounded, became ill, became prisoners of war, were subject to torture, deprivation and starvation and many died in the service of the Armed Forces

of the United States at the same rates as regular U.S. soldiers, sailors and Marines who were isolated on those islands during the Japanese occupation.

Filipino veterans have recently been somewhat successful in incrementally increasing benefits to parity with other U.S. veterans; however, the exclusion of these veterans from full benefits remains a fundamental unfairness in the law that has stood for too many years. As the numbers of these deserving veterans quickly dwindle, Congress has little time to redress this injustice.

### **CONCLUSION**

Mr. Chairman, with increasing military commitments worldwide, it is important that we work together to ensure that the services and programs offered through VA are available to the new generation of American service members who are returning home with life-altering experiences and injuries. This Committee, under your leadership, has the power to ensure that their sacrifices are indeed honored with the thanks of a grateful nation.

The American Legion is fully committed to working with each member of this Committee to ensure that America's veterans receive the entitlements they have earned. Whether it is improved accessibility to health care, timely adjudication of disability claims, improved educational benefits or employment services, each and every aspect of these programs touches veterans from every generation. Together we can ensure that these programs remain productive, viable options for the men and women who have chosen to answer the nation's call to arms.

Thank you for allowing me the opportunity to appear before you today.

**The  
American  
Legion**



*For God and Country*

\* WASHINGTON OFFICE \* 1608 "K" STREET, N.W. \* WASHINGTON, D.C. 20006-2847 \*  
(202) 861-2700 \*

February 15, 2006

Honorable Steve Buyer, Chairman  
Committee on Veterans' Affairs  
335 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Buyer:

The American Legion has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the February 15<sup>th</sup> hearing, concerning The 2007 Legislative Priorities of The American Legion for The Department of Veterans Affairs.

Sincerely,

  
Steve Robertson Director  
National Legislative Commission

**STEVE A. ROBERTSON  
DIRECTOR  
NATIONAL LEGISLATIVE COMMISSION  
THE AMERICAN LEGION**

Steve Robertson was named Director of the National Legislative Division in May 1993.

He began his career with The American Legion in 1988 as Assistant Director of that Division. In 1991 he was promoted to Deputy Director. Prior to his Legion employment, he was a Disabled Veterans Program (DVOP) specialist for Job Service North Dakota.

As a military policeman in the DC Army National Guard, he was activated in January 1991 during the Persian Gulf War and served from February to June in Saudi Arabia. In June 1996, he completed twenty years of military service and will retire at the rank of Captain, USAF, in 2010.

He served twelve years in the U.S. Air Force from 1973 to 1985 as a Security Police Officer in Louisiana, Turkey and North Dakota; a Missile Combat Crew Commander for the Minuteman III ICBM in North Dakota; and as a Flight Commander for the Ground Launched Cruise Missile (GLCM) in Sicily.

A third generation Legionnaire, his post home is Post 14 in Shreveport, LA. His wife, Vivian Wolf, is an Air Force Lt. Colonel and a member of Post 290 in Stafford, VA. His son, Casey is a Legionnaire, a member of the Sons, and an active-duty Army First Lieutenant stationed at Ft Hood, TX. Following a one year assignment in Korea, he recently return from a tour in Iraq. Steve's daughter, Jessica, is a member of the Junior Auxiliary and a former VA Girls Stater. His son, Steve is a member of the Sons of The American Legion.



STATEMENT OF  
STEVE ROBERTSON, DIRECTOR  
NATIONAL LEGISLATIVE COMMISSION  
THE AMERICAN LEGION

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE PRESIDENT'S BUDGET REQUEST FOR  
FISCAL YEAR 2007 FOR VETERANS' PROGRAMS

FEBRUARY 8 2006

**The  
American  
Legion**



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February 8, 2006

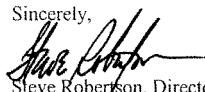
Honorable Steve Buyer, Chairman  
Committee on Veteran's Affairs  
335 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Buyer:

The American Legion, as requested during the February 8<sup>th</sup> hearing, asks that this statement be made a supplement to the previously submitted written statement.

We appreciate your compliance with this request.

Sincerely,



Steve Robertson, Director  
National Legislative Commission

STATEMENT OF  
STEVE ROBERTSON, DIRECTOR  
NATIONAL LEGISLATIVE COMMISSION  
THE AMERICAN LEGION  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2007  
FOR VETERANS' PROGRAMS

**FEBRUARY 8, 2006**

Mr. Chairman and Members of the Committee:

On September 20, 2005, The American Legion's newly elected National Commander, Thomas L. Bock presented the views of its 2.7 million members on issues under the jurisdiction of your Committee. At the conclusion of The American Legion's 87th National Convention in Honolulu, Hawaii, over 3,100 delegates adopted 42 organizational resolutions with 36 having legislative intent. These organizational mandates will add to the legislative portfolio of The American Legion for the remainder of the 109th Congress.

As Legionnaires gathered at the National Convention to once again determine the path of the nation's largest veterans' service organization, it was with respect for those who have worn the uniform before us, friendship for those with whom we served and admiration for those who currently defend the freedoms of this great nation. Each generation of America's veterans has earned the right to quality health care and transitional programs available through the Department of Veterans Affairs (VA). The American Legion will continue to work with this Committee and your colleagues in the House to ensure that VA is indeed capable of providing *"...care for him who shall have borne the battle and for his widow and his orphan."*

The Administration's VA budget request for 2007 has been hailed for adding nearly \$3 billion in real appropriations for veterans' health care, compared to 2006. Although there is a real increase in actual funding in some areas, it still relies on assumed collections from initiatives that seek to place the burden of payment on the veterans seeking treatment from VA. It's a budget request built on charging new annual enrollment fees for VA care, nearly doubling drug co-payments, charging veterans for uncollected reimbursement from third-party payers, assumed efficiency savings. Even VA documents indicate that these proposals may lead to the loss of more than a million enrolled veterans from VA.

This budget request relies on \$1.1 billion in cost-saving "efficiencies" - the subject of a recent Government Accountability Office report that criticized past VA health-care projections from the president's Office of Management and Budget. The American Legion is extremely disappointed that this budget request continues to count "phantom savings" as real healthcare dollars. Real veterans are suffering from real injuries and VA needs real dollars to treat them. Any increases in VA funding should be the result of actual funds and not assumed savings based on management efficiencies.

The Military Construction and Veterans Affairs Appropriations Subcommittee, chaired by Senator Hutchison expressed concern over VA being underfunded due to unrealized legislative proposals that seek to charge veterans co-payments and increased co-payments. The American Legion agrees fully with the recommendation of that Subcommittee last year that VA "request a funding level that adequately represents the real needs of veterans **without** devising new fees."

The American Legion is also concerned with the highly ambitious anticipated increase in third-party collections from insurance companies expected in FY 2007. VA's estimate for third-party collections in 2006 was just over \$2 billion and the FY 2007 budget request is relying on collecting almost \$800 million more. The majority of which are expected to come from new enrollments and increased prescription co-payments. Again, these numbers do not reflect actual funds and should not be considered a real increase to the VA budget. In early 2005, VA had \$3 billion in uncollected debts. Assumed collections do not equate to real dollars and veterans health care should not be reliant on possible collections that never match the demand for dollars. Such miscalculations result in real budgetary shortfalls that lead to reduced care and treatment; hiring freezes; delays in nonrecurring maintenance; and, other tough spending decisions.

VA Research will also suffer from this budget request. It takes a \$13 million bite out of VA research in medical care support and relies on increased dollars from Federal Resources and other Non-Federal Resources. Reliance on other Federal and Non-Federal Resources subjects VA research funding to an overall decrease in funding if those resources are forced to slash their respective budgets. Medical Care Support funding should be increased, not decreased. The medical advances resulting from VA research not only benefit the veteran patient, but they also benefit all Americans. Over the years many medical breakthrough have resulted from research initiatives within VA healthcare facilities and through partnerships with civilian medical schools. Adequate funding to continue the important research of VA must be provided. Such budgetary shortfalls make VA's recruiting and retention of medical researchers extremely challenging.

Additionally, The American Legion is disappointed in the lack of importance placed on the ever-increasing VA claims backlog in the proposed budget for FY 2007. A new group of veterans are returning home with service-connected disabilities. VA must not only be prepared to assist with those new claims, but VA must be manned at a level that will prevent the backlog from continuing to increase. With a large number of Federal employees approaching retirement age VA is facing a major loss of experienced employees vital to the success of the agency. This budget fails to plan for the impending retirement of a large number of claims adjudicators from the VA workforce.

It is imperative that any budget request submitted for VA reflects a true estimate of the patient population. The under-estimated number of VA patients returning from Iraq and Afghanistan contributed to the \$1.5 billion budget shortfall for VA health care in 2005. While we applaud Congress for responding with supplemental funding for VA in 2005, the estimates must accurately reflect the demand for care VA can expect.

With that in mind and on behalf of The American Legion, I reiterate the following budgetary recommendations for VA's discretionary funding in FY 2007:

**BUDGET RECOMMENDATIONS FOR SELECTED DISCRETIONARY PROGRAMS  
FOR DEPARTMENT OF VETERANS AFFAIRS FOR FISCAL YEAR 2007**

Program	President's Budget Request	Legion's FY 2007 Request
Medical Care Including:	\$32.1 billion	
◦ <i>Medical Services</i>	<i>\$25.5 billion</i>	\$33.5 billion
◦ <i>Medical Administration</i>	<i>\$3.1 billion</i>	
◦ <i>Medical Facilities</i>	<i>\$3.5 billion</i>	
Medical Care Collections	(\$2.8 billion)	\$2.1 billion *
Emergency Supplemental		
Medical & Prosthetics Research	\$399 million	\$469 million
Construction		
◦ Major	\$399 million	\$343 million
◦ CARES		\$1 billion
◦ Minor	\$198 million	\$274 million
State Extended Care Facilities	\$85 million	\$250 million
State Veterans' Cemeteries	\$32 million	\$44 million
NCA Operations	\$161 million	\$174 million
General Administration	\$1.5 billion	\$1.9 billion

\* Third-party reimbursements should supplement rather than offset discretionary funding.

**MEDICAL CONSTRUCTION AND INFRASTRUCTURE SUPPORT****Major Construction**

Over the past several years, The American Legion has testified on the inadequacy of funding for VA's major and minor construction programs. This inadequacy has become even more apparent in light of the congressionally imposed moratorium on construction funding during the CARES process. The American Legion is both relieved and encouraged to see that the first two years worth of VA designated high-priority projects include critically needed seismic corrections to nine vulnerable structures in California and Puerto Rico. The American Legion has consistently expressed its concern about veterans being treated in unsafe facilities. There are over 60 patient care and other related use buildings in danger of collapse or heavy damage in the event of an earthquake. The sorely needed seismic corrections, along with the necessary ambulatory care and patient safety projects, will require a significant increase in funding to address VHA's current major construction requirements. We believe these designated seismic projects, other seismic corrections and life safety upgrades, should be dealt with first on an emergency basis.

The American Legion opposes the use of medical care appropriations for construction and urges Congress to separately and fully fund these projects.

**The American Legion recommends \$343 million for Major Construction and a separate \$1 billion for the implementation of the CARES recommendations in FY 2007.**

**Minor Construction**

VA's minor construction program has likewise suffered significant neglect over the past several years. The requirement to maintain the infrastructure of VA's buildings is no small task. When combined with the added cost of the CARES program recommendations and the request for minor infrastructure upgrades in several research facilities, it is easy to see that a major increase over the previous funding level is crucial. We question the transfer of prior-year minor construction funds into CARES. During our site visits to all VHA medical centers over the past three years, we noted a recurrent theme in which facilities managers are routinely forced to divert funds from other priorities to repair roofs, replace boilers and upgrade utilities and life safety and other critical systems. The American Legion believes that these funds should be used for the purposes for which they were intended and that the "transfer authority" does not include monies designated for patient care.

**The American Legion recommends \$274 million for Minor Construction in FY 2007.**

**THE AGING OF AMERICA'S VETERANS**

A landmark July 1984 study, Caring for the Older Veteran, predicted that a "wave" of elderly World War II and Korean Conflict veterans would occur some 20 years ahead of the elderly in the general U.S. population and had the potential to overwhelm the VA Long Term Care (LTC) system if not properly planned for. The most recent available data from VA, 2000 Census-based VETPOP2001Adjusted, show there were 25.6 million veterans in 2002. Of that number, 9.76 million, or 37 percent are aged 65 or older. According to the 2003 National Survey of Veteran Enrollees' Health and Reliance on VA enrolled in VA health care 14 percent of the veteran population was under the age of 45, 39 percent were between the ages of 45 and 64, and 47 percent of veterans were 65 years or older. Compared to the 2001 Survey, in which the age distribution was 21 percent, 41 percent and 39 percent, respectively, it is clear that the

“demographic imperative” predicted by the 1984 study is now upon us.

The study cited an “imminent need to provide a coherent and comprehensive approach to long-term care for veterans.” Twenty-one years hence, the coherent and comprehensive approach called for has yet to materialize. The American Legion supports a requirement to mandate that VA publish a Long Term Care Strategic Plan.

The Veterans Millennium Health Care and Benefits Act of 1999 provided VA authority to act on these projections. Based on an “aging in place” continuum of care model, VA was mandated to begin providing a variety of non-institutional services to aging veterans, including; home-based primary care, contract home health care, adult day health care, homemaker and home health aides, respite care, telehealth and geriatric evaluation and management.

On March 29, 2002, GAO issued a report that stated that nearly two years after The Millennium Act’s passage, VA had not implemented its response to the requirements that all eligible veterans be offered adult day health care, respite care and geriatric evaluation. At the time of GAO’s inquiry, access to these services was “far from universal.” While VA served about one-third of its 3rd Quarter 2001 LTC workload (23,205 out of an Average Daily Census of 68,238) in non-institutional settings, VA only spent 8 percent of its LTC budget on these services. Additionally, VA had not even issued final regulations for non-institutional care, but was implementing the services by issuing internal policy directives, according to GAO. Of 140 VAMCs, only 100 or 71 percent were offering adult day health care in non-institutional settings.

By May 22, 2003, over one year later, GAO testified before the House Veterans’ Affairs Subcommittee on Health that things had not improved and that veterans’ access to non-institutional LTC was still limited by service gaps and facility restrictions. GAO’s assessment showed that for four of the six services, the majority of facilities either did not offer the service or did not provide access to all veterans living in the geographic service area. GAO summed up the problem nicely when it testified that “[f]aced with competing priorities and little guidance from headquarters, field officials have chosen to use available resources to address other priorities.”

In the area of nursing home care, VA is equally recalcitrant in implementing the mandates of the Millennium Act. The Act required VA to maintain its in-house Nursing Home Care Unit (NHCU) bed capacity at the 1998 level of 13,391. In 1999 there were 12,653 VA NHCU beds, 11,812 in 2000, 11,672 in 2001, 11,969 in 2002 and 12,339 beds in 2003. VHA estimates it had 11,000 beds in 2004 and projects only 8,500 beds for fiscal year 2005. VA claims that it cannot maintain both the mandated bed capacity and implement all the non-institutional programs required by the Millennium Act. Providing adequate inpatient LTC capacity is good policy and good medicine. **The American Legion opposes attempts to repeal 38 U.S.C. § 1710B(b).**

The American Legion believes that VA should take its responsibility to America’s aging veterans much more seriously and provide the quality of care mandated by Congress. Congress should do its part and provide adequate funding to VA to implement its mandates.

#### State Extended Care Facility Construction Grants Program

Since 1984, nearly all planning for VA inpatient nursing home care has revolved around State Veterans Homes (SVHs) and contracts with public and private nursing homes. The reason for this is obvious; for fiscal year 2004 VA paid a per diem of \$59.48 for each veteran it places in SVHs, compared to the \$354.00 VA said it cost in FY 2002 to maintain a veteran for one day in

its own NHCUs.

Under the provisions of title 38, U.S.C., VA is authorized to make payments to states to assist in the construction and maintenance of SVHs. Today, there are 109 SVHs in 47 states with over 23,000 beds providing nursing home, hospital, and domiciliary care. Grants for Construction of State Extended Care Facilities provide funding for 65 percent of the total cost of building new veterans homes. Recognizing the growing long-term health care needs of older veterans, it is essential that the State Veterans Home Program be maintained as a viable and important alternative health care provider to the VA system. State authorizing legislation has been enacted and state funds have been committed. The West Los Angeles State Veterans Home, alone, is a \$125 million project. Delaying this and other projects will result in cost overruns from increasing building materials costs and may lead states to cancel these much-needed facilities.

The American Legion supports increasing the amount of authorized per diem payments to just 50 percent for nursing home and domiciliary care provided to veterans in State Veterans Homes. The American Legion also supports the provision of prescription drugs and over-the-counter medications to State Homes Aid and Attendance patients, along with the payment of authorized per diem to State Veterans Homes. Additionally, VA should allow for full reimbursement of nursing home care to 70 percent service-connected veterans or higher, if the veteran resides in a State Veterans Home.

**The American Legion recommends \$250 million for the State Extended Care Facility Construction Grants Program in FY 2007.**

#### **MEDICAL SCHOOL AFFILIATIONS**

VHA and its medical school affiliates have enjoyed a long-standing and exemplary relationship for nearly 60 years that continues to thrive and evolve to the present day. Currently, there are 126 accredited medical schools in the United States. Of these, 107 have formal affiliation agreements with VA Medical Centers (VAMCs). More than 30,000 medical residents and 22,000 medical students receive a portion of their medical training in VA facilities annually. VA estimates that 70 percent of its physician workforce has university appointments. At some medical schools, 95 percent of medical staff at affiliated VAMCs has dual appointments.

VHA conducts the largest coordinated education and training program for health care professions in the nation and medical school affiliations allow VA to train new health professionals to meet the health care needs of veterans and the nation. Medical school affiliations have been a major factor in VA's ability to recruit and retain high quality physicians and to provide veterans access to the most advanced medical technology and cutting edge research; VHA research has made countless contributions to improve the quality of life for veterans and the general population.

The American Legion affirms its strong commitment and support for the mutually beneficial affiliations between VHA and the medical schools of this nation.

#### **MEDICAL AND PROSTHETICS RESEARCH**

VA's Medical and Prosthetic Research Service has a history of productivity in advancing medical knowledge and improving health care not only for veterans, but all Americans. VA

research has led to the creation of the cardiac pacemaker, nicotine patch, and the Computerized Axial Tomography (CAT) scan, as well as other medical breakthroughs. Most recently, VA research has shown that an experimental vaccine against shingles prevented about 51 percent of cases of shingles, a painful nerve and skin infection, and dramatically reduced its severity and complications in vaccinated persons who got shingles. Over 3800 VA physicians and scientists conduct more than 9,000 research projects each year involving more than 150,000 research subjects.

The American Legion supports adequate funding for VA research activities, including basic biomedical research as well as bench-to-bedside projects. Congress and the Administration should encourage acceleration in the development and initiation of needed research on conditions that significantly affect veterans - such as prostate cancer, addictive disorders, trauma and wound healing, post-traumatic stress disorder, rehabilitation, and others jointly with the Department of Defense (DoD), the National Institutes of Health (NIH), other Federal agencies, and academic institutions.

**The American Legion recommends \$469 million for Medical and Prosthetics Research in FY 2007.**

#### **HOMELESS VETERANS**

VA has estimated that there are at least 250,000 homeless veterans in America and approximately 500,000 veterans experience homelessness in a given year. Most homeless veterans are single men; however, the number of single women with children has drastically increased within the last few years. Homeless female veterans tend to be younger, are more likely to be married, and are less likely to be employed. They are also more likely to suffer from serious psychiatric illness.

Approximately 40 percent of homeless veterans suffer from mental illness and 80 percent have alcohol or other drug abuse problems. It cannot go unnoticed that the increase in homeless veterans coincides with the under-funding of VA health care, which resulted in the downsizing of inpatient mental health capabilities in VA hospitals across the country. Since 1996, VA has closed 64 percent of its psychiatric beds and 90 percent of its substance abuse beds. It is no surprise that many of these displaced patients end up in jail, or on the streets. The American Legion applauds VA's recent plan to restore a good portion of this capacity. The American Legion believes there should be a focus on the prevention of homelessness, not just measures to respond to it. Preventing it is the most important step to ending it.

The American Legion has a vision to assist in ending homelessness among veterans, by ensuring services are available to respond to veterans and their families in need before they experience homelessness. Towards that objective, The American Legion in partnership with the National Coalition for Homeless Veterans created a Homeless Veterans Task Force in the fall of 2002. The mission of the Task Force is to develop and implement solutions to end homelessness among veterans through collaborating with government agencies, homeless providers and other veteran service organizations. In the last two years, 16 homeless veterans workshops were conducted during The American Legion National Leadership Conferences, National Convention and Mid-Winter Conferences. Currently, there are 51 Homeless Veterans Chairpersons within The American Legion who act as liaison to federal, state and community homeless agencies and

monitor fundraising, volunteerism, advocacy and homeless prevention activities within participating American Legion Departments. The American Legion Homeless Veterans Outreach Award is presented to the Department that made the greatest effort to end veteran homelessness within their area. At last year's National Convention, the Department of Indiana was presented this award.

The current Administration has vowed to end the scourge of homelessness within ten years. The clock is running on this commitment, yet words far exceed deeds. While less than nine percent of the nation's population are veterans, 34 percent of the nation's homeless are veterans and of those 75 percent are wartime veterans.

Homelessness in America is a travesty. Veterans' homelessness is a national disgrace. Left unattended and forgotten, these men and women, who once proudly wore the uniforms of this nation's armed forces and defended her shores, are now wandering streets in desperate need of medical and psychiatric attention and financial support. While there have been great strides in ending homelessness among America's veterans, there is much more that needs to be done. We must not forget them. The American Legion supports funding that will lead to the goal of ending homelessness in the next ten years.

#### Homeless Providers Grant and Per Diem Program Reauthorization

In 1992, VA was given authority to establish the Homeless Providers Grant and per Diem Program under the Homeless Veterans Comprehensive Services Programs Act of 1992, P.L. 102-590. The Grant and Per Diem Program is offered annually (as funding permits) by the VA to fund community agencies providing service to homeless veterans.

**The American Legion strongly supports changing the grant and Per Diem Program to be funded on a five-year period instead of annually. The American Legion also supports a funding level increase of \$200 million annually.**

### NATIONAL CEMETERY ADMINISTRATION

The National Cemetery Administration (NCA) is charged with meeting the interment needs of the nation's veterans and their eligible dependents. NCA is striving to meet its accessibility goal of 90 percent of all veterans living within 75 miles of open national or state veterans cemeteries. There are approximately 14,200 acres within established installations in NCA. Just over half are undeveloped and, with available gravesites in developed acreage, have the potential to provide more than 3.6 million gravesites. More than 301,050 full-casket gravesites, 58,500 in-ground gravesites for cremated remains, and 37,900 columbarium niches are available in already developed acreage in our 120 national cemeteries.

#### National Cemetery Expansion

The NCA's budget proposal totals \$161 million and 1,589 FTE for fiscal year 2007. The FY 2007 outlay proposal earmarks \$53 million for major and \$25 million for minor construction. This reflects cemetery expansion projects in Dallas/Fort Worth and Saratoga, NY as well as Phase 1B development at Great Lakes.

The American Legion supported P.L. 108-109, the National Cemetery Expansion Act of 2003 authorizing VA to establish new national cemeteries to serve veterans in the areas of:

Bakersfield, Calif.; Birmingham, Ala.; Jacksonville, Fla.; Sarasota County, Fla.; southeastern Pennsylvania; and Columbia-Greenville, S.C. All six areas have veteran populations exceeding 170,000, which is the threshold VA has established for new national cemeteries.

**Congress must provide sufficient major construction appropriations to permit NCA to accomplish its stated goal of ensuring that burial in a national or state cemetery is a realistic option by locating cemeteries within 75 miles of 90 percent of eligible veterans.**

#### National Shrine Commitment

Maintaining cemeteries as National Shrines is one of NCA's top priorities. This commitment involves raising, realigning and cleaning headstones and markers to renovate gravesites. The work that has been done so far has been outstanding; however, adequate funding is key to maintaining this very important commitment. At the rate that Congress is funding this work, it will take twenty-eight years to complete. The American Legion supports NCA's goal of completing the National Shrine Commitment in five years. This Commitment includes the establishment of standards of appearance for national cemeteries that are equal to the standards of the finest cemeteries in the world. Operations, maintenance and renovation funding must be increased to reflect the true requirements of the NCA to fulfill this Commitment.

**The American Legion recommends \$174 million for the National Cemetery Administration in FY 2007.**

#### State Cemetery Construction Grants Program

The FY 2007 budget requested \$32 million for State Veterans Cemetery Grant Program. This is "no-year money" and so any monies not spent in the previous fiscal year can be carried over into the next fiscal year. This program is not intended to replace National Cemeteries, but to complement them. Grants for state-owned and operated cemeteries can be used to establish, expand and improve on existing cemeteries. States are planning to open 18 new state cemeteries between 2007 and 2010.

Individual states are encouraged to pursue applications for the State Cemetery Grants Program. Fiscal commitment from the state is essential to keep the operation of the cemetery on track. NCA estimates it takes about \$300,000 a year to operate a state cemetery.

**The American Legion recommends \$47 million for the State Cemetery Grants Program in FY 2007.**

## **DEPARTMENT OF LABOR**

#### Veterans' Employment and Training Service

The American Legion's position regarding VETS is that it should remain a national program with Federal oversight and accountability. The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion views the VETS program as one of the best-kept secrets in the Federal government. It is comprised of many dedicated individuals who struggle to maintain a quality program without substantial increases in both funding and staffing.

Annually, DoD discharges approximately 250,000 service members. Recently separated service

personnel are likely to seek immediate employment or continue their formal or vocational education. In order for the VETS program to assist these veterans to achieve their goals, it needs to:

- Improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans.
- Provide employers with a labor pool of quality applicants with marketable and transferable job skills.
- Provide information on identifying military occupations that require licenses, certificates or other credentials at the local, state, or national levels.
- Eliminate barriers to recently separated service personnel and assist in the transition from military service to the civilian labor market.
- Strive to be a proactive agent between the business and veterans' communities in order to provide greater employment opportunities for veterans.

The American Legion believes staffing levels for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) should match the needs of the veteran community in each state and not be based solely on the fiscal needs of the state government. Such services will continue to be crucial as today's active duty service members, especially those returning from combat in Iraq and Afghanistan, transition into the civilian world. Education and vocational training and employment opportunities will enable these veterans to succeed in their future endeavors. Adequate funding will allow the programs to increase staffing to provide comprehensive case management job assistance to disabled and other eligible veterans.

Title 38 U.S.C. § 4103A requires that all DVOP specialists shall be qualified veterans and that preference be given to qualified disabled veterans in appointment to DVOP specialist positions. 38 U.S.C. § 4104(a)(4) states:

“[I]n the appointment of local veterans' employment representatives on or after July 1, 1988, preference shall be given to qualified eligible veterans or eligible persons. Preference shall be accorded first to qualified service-connected disabled veterans; then, if no such disabled veteran is available, to qualified eligible veterans; and, if no such eligible veteran is available, then to qualified eligible persons.”

The American Legion believes that the military experience is essential to understanding the unique needs of the veteran and that all LVERs, as well as all DVOPs, should be veterans.

**The American Legion recommends a funding level of \$342 million for the Veterans' Employment and Training Service in FY 2007.**

#### **MANDATORY FUNDING FOR VETERANS HEALTH CARE**

A new generation of young Americans is once again deployed around the world, answering the nation's call to arms. Like so many brave men and women who honorably served before them, these new veterans are fighting for the freedom, liberty and security of us all. Also like those who fought before them, today's veterans deserve the due respect of a grateful nation when they

return home.

Unfortunately, without urgent changes in health care funding, new veterans will soon discover their battles are not over. They will be forced to fight for the life of a health care system that was designed specifically for their unique needs. Just as the veterans of the 20th century did, they will be forced to fight for the care each one is eligible to receive.

The American Legion continues to believe that the solution to the Veterans Health Administration (VHA) recurring fiscal difficulties will only be achieved when its funding becomes a mandatory spending item. Funding for VA health care currently falls under discretionary spending within the Federal budget. VA's health care budget competes with other agencies and programs for Federal dollars each year. The funding requirements of health care for service-disabled veterans are not guaranteed under discretionary spending. VA's ability to treat veterans with service-connected injuries is dependent upon discretionary funding approval from Congress each year.

Under mandatory funding, VA health care would be funded by law for all enrollees who meet the eligibility requirements, guaranteeing yearly appropriations for the earned health care benefits of enrolled veterans.

The American Legion is pleased to support legislation pending in the 109th Congress that would establish a system of capitation-based funding for VHA by combining the total enrolled veteran population with the number of non-veterans who received services from VHA, then dividing that number into 120 percent of the current VHA budget or to another amount, depending on the bill. This baseline per-capita amount is then adjusted for medical inflation each year and is multiplied by the veteran and non-veteran population for the prior fiscal year to arrive at a total budget for VHA for each succeeding fiscal year. This new funding system would provide the bulk of VHA's Medical Services funding, except funding of the State Extended Care Facilities Construction Grant Program, which would be separately authorized, and third-party reimbursements. Annual funding would be without fiscal year limitation, meaning that any savings VHA realized in a fiscal year would be retained rather than returned to the Treasury, providing VHA with incentives to develop efficiencies and creating a pool of funds for enhanced services, needed capital improvements, expanded research and development and other purposes.

The Veterans Health Administration is now struggling to maintain its global preeminence in 21st century health care with funding methods that were developed in the 19th century. No other modern health care organization could be expected to survive under such a system. The American Legion believes that health care rationing for veterans must end. It is time to guarantee health care funding for all veterans.

Mr. Chairman, as a member of the Partnership for Veterans Health Care Budget Reform, we strongly encourage you to hold a hearing on the VA funding process to explore the best way to meet the budgetary needs of VA health care.

#### **MEDICAL CARE COLLECTIONS FUND**

The Balanced Budget Act of 1997, P.L. 105-33, established the VA Medical Care Collections Fund (MCCF), requiring that amounts collected or recovered from third party payers after June 30, 1997 be deposited into this fund. The MCCF is a depository for collections from third-party insurance, outpatient prescription co-payments and other medical charges and user fees. The funds collected may only be used for providing VA medical care and services and for VA

expenses for identification, billing, auditing and collection of amounts owed the government. In FY 2004, VHA collected \$1.7 billion, a significant increase over the \$540 million collected in FY 2001. In FY 2005 VA collected \$1.9 billion and the VA FY 2006 budget estimate called for \$2.1 billion to supplement appropriations, a 10.8 percent increase over FY 2005. VA's ability to capture these funds is critical to its ability to provide quality and timely care to veterans.

Government Accountability Office (GAO) reports have described continuing problems in VHA's ability to capture insurance data in a timely and correct manner and raised concerns about VHA's ability to maximize its third-party collections. At three medical centers visited, GAO found inability to verify insurance, accepting partial payment as full, inconsistent compliance with collections follow-up, insufficient documentation by VA physicians, insufficient automation and a shortage of qualified billing coders were key deficiencies contributing to the shortfalls. VA should implement all available remedies to maximize its collections of accounts receivable.

Technically, the MCCF is not considered a Treasury offset because the funds collected do not actually go back to the MCCF treasury account, but remain within VHA and are used as operating funds. When developing the agency's budget proposal, the total appropriations request is reduced by the estimate for MCCF for the fiscal year in question. We fail to see the difference in the net effect on VISNs and VAMCs. Offsetting estimated MCCF funds largely defeats the purpose of realigning VHA's financial model to more closely approximate the private sector.

**The American Legion opposes offsetting annual VA discretionary funding by the MCCF recovery.**

#### **MEDICARE**

As do all other citizens, veterans pay into the Medicare system without choice throughout their working lives. A portion of each earned dollar is allocated to the Medicare Trust Fund and although veterans must pay into the Medicare system they cannot use their Medicare benefits to reimburse allowable treatment and services received in VA health care facilities. VA, unlike the Department of Defense or Indian Health Services, cannot bill Medicare for the treatment of allowable Medicare eligible veterans' nonservice-connected medical conditions. This prohibition constitutes a multibillion-dollar annual subsidy to the Medicare Trust Fund. The American Legion does not agree with this policy and supports Medicare reimbursement for VHA for the allowable treatment of nonservice-connected medical conditions of enrolled Medicare-eligible veterans.

Mr. Chairman, nowhere in this budget request does VA receive any credit for the real savings in mandatory appropriations through VA not billing Medicare for the care and treatment of Medicare-eligible enrolled veterans. By denying VA the opportunity to bill Medicare for the treatment of Medicare-eligible veterans, the VA is picking up the care and cost of thousands of veteran patients who would otherwise be billing Medicare for treatment from another health care provider.

#### **CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES**

VA's Capital Asset Realignment for Enhanced Service (CARES) has entered into the final steps of the process - implementation and integration. The CARES decision released in May 2004 directed VHA to conduct 18 feasibility studies at those health care delivery sites where final decisions could not be made due to inaccurate and incomplete information. The 18 studies fall into two broad categories: 1) studies of sites where no specific decisions have been made to date for the delivery of health care, i.e., do we decide to merge these facilities or not; and 2) studies of

sites where the Secretary's decision defines the health care solution to be implemented, i.e., how to best use or re-use the campus as a capital planning decision. VHA contracted Pricewaterhouse Cooper (PwC) to identify and determine the best approach to provide veterans with health care services equal to or better than is currently provided and evaluate in terms of access, quality, and cost effectiveness, while maximizing any potential re-use of all or portions of the current real property inventory. The entire process was scheduled for 13 months with a completion date of no later than February 2006.

One of the components of the CARES Phase II process was stakeholder input. In order to ensure the concept was not lost during the ongoing studies, Local Advisory Panels (LAPs) were set up at each of the study sites. The membership of the LAPs consist of key stakeholders including community leaders, veterans groups, VA affiliated medical schools and VA representation. The LAPs are to hold four public meetings to gather and share stakeholder input during the yearlong studies. Ideally, PwC and LAPs will work together to develop options that PwC will eventually present to the Secretary. The American Legion was concerned when the first meetings had to be pushed back from March to the end of April. This could only mean that the final decision was going to be delayed. VA was already behind their established timeline. When the meetings were finally held, The American Legion was present at every single one. We will ensure our presence at all of LAPs throughout the process. The American Legion intends to hold accountable those who are entrusted to provide the best health care services to the most deserving population – the nation's veterans.

The implementation of the CARES decision promises to be long. VA has estimated that it will require \$1 billion per year for the next six years, with continuing substantial infrastructure investments into the future. The American Legion is opposed to CARES funding coming out of the discretionary medical care account. The American Legion believes the CARES implementation must occur in the context of a fully utilized VA health care system. It must take into consideration VA's role in emergency preparedness, organizational capacity for services such as long-term care and Homeland Security. Further, there must be continued oversight of the integration of the CARES process into the strategic planning process. Without that oversight, plans and promised services may be overlooked.

## CONCLUSION

Thank you for the opportunity for The American Legion to reiterate its budget recommendations for FY 2007.

Clearly, The American Legion remains deeply concerned with VA medical funding in recent years. Repeatedly, the President advanced seriously flawed legislative initiatives that undermined the "thanks of a grateful nation." Fortunately, Congress joined the veterans' community in rejecting them. The American Legion will continue to oppose any "enrollment fees" targeted towards a selected group of veterans with the goal of discouraging enrollment or that does not guarantee timely access to quality health care in return.

The American Legion has joined with eight other veterans' service organizations in calling for an immediate fix of the broken annual Federal appropriations process that is budget driven rather than demand driven. In recent years, the Office of Management and Budget's budgetary recommendations to Congress fell well short of the mark. Congress, not OMB, is responsible for

providing adequate funding for VA medical care. We do not see lengthy discussions on the “right amount” for funding Social Security benefits, Medicare, Veterans’ Compensation and Pension, TRICARE for Life or even your salaries as Members of Congress because they are scored as mandatory funding items and, therefore, an entitlement – funding that is guaranteed.

If an entitlement is a statement of national priority, where should the care and treatment of veterans rank among Federal spending programs?

The American Legion respectfully requests a future Committee hearing on evaluating the best funding methodology for VA medical care. This hearing would also address alternative revenue streams to complement annual Federal appropriations.

Mr. Chairman, that concludes my testimony.

# **VETERANS OF FOREIGN WARS OF THE UNITED STATES**

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## STATEMENT OF

DENNIS M. CULLINAN, DIRECTOR  
NATIONAL LEGISLATIVE SERVICE  
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

THE VETERANS OF FOREIGN WARS' LEGISLATIVE AGENDA

WASHINGTON, D.C.

FEBRUARY 15, 2006

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE:

Thank you for allowing the Veterans of Foreign Wars of the U.S. (VFW) to testify today. With thousands of men and women toiling in the deserts of Iraq and the mountains of Afghanistan, the price of war is visible on our TV screens on a nightly basis. But war has long-lasting effects, many of which must be taken care of long after the last shots are fired. Today's soldiers are tomorrow's veterans. And just as this nation is renewing its commitment to care for those in uniform today, so must it live up to its obligation to care for those who worn the uniform before.

Last year's VA funding problems are something we never care to see again. The errors, which resulted in a healthcare system on the verge of bankruptcy, are inexcusable. We thank Congress' efforts in correcting the problems, and we welcome continued oversight into VA's budget methodology to ensure that this dilemma does not happen in the future.

With respect to the FY 2007 budget, we were pleased to see the administration's request, and we think that it is an excellent starting point. It appropriates \$31.4 million for Medical Care, which is nearly \$2.7 million more than the total amount from FY 2006. Total discretionary funding is up by \$3.4 million. We view this as an acknowledgment of this nation's obligations to our veterans. This does not mean that we view the administration's proposal as the final answer, but we hope to build from here.

For one, VFW strongly opposes the use of enrollment fees and co-payment increases to raise money in lieu of appropriated dollars. These fees would be a great burden on a large number of veterans, and VA has even admitted that they would force many thousands of veterans to decline to receive their earned health care through VA. This is unacceptable. Category 7 veterans, for example, make under a geographically adjusted figure of approximately \$28,000. While \$250

isn't a lot for you or me, to that man or woman, it is a significant burden. If they are receiving several prescriptions, the enrollment fee, combined with the near doubling of the pharmaceutical co-payment will cost many hundreds of dollars. That is an unfair, unjust burden. These harmful proposals have made their way back this year, and just as in past years, we look to Congress to reject them.

We also feel that VA's collection goals are too ambitious. This budget is relying on \$2.8 billion in collections, when VA, despite improvements in their collection process, has only once collected \$2 billion. VA has never been able to meet their collection targets, and we fear that next year will be no exception.

Turning to the Veterans Benefits Administration (VBA), we remain greatly concerned with VBA's ability to process compensation and pension claims in a timely and accurate manner. These claims directly affect the economic well-being of our nation's sick and disabled veterans. These payments help to make the veteran whole, and help him or her to provide for their family.

Unfortunately, the claims backlog has swelled to unreasonable lengths. On average, it takes VBA 171 days to process a claim, nearly six months. VA projects that this will increase to 180 days during FY 2007. This lengthy delay represents real-world hardships for veterans waiting for money for food and shelter for them and their families.

Not only does it take longer for a claim, when VBA decides a claim, it is frequently wrong. VBA has a major error in 15% of the claims they process. These errors are adversely affecting veterans. In an attempt to make superficial improvements in the claims backlog, and because of inexperienced staff, more errors are being made, further lengthening the time veterans must wait through the appeals process, or completely preventing a veteran from receiving their disability compensation entirely.

VBA must get better. And with the inexcusable proposal contained in the President's budget to cut 149 FTE's in compensation direct labor, there is not much chance for VBA to make meaningful improvements next year.

We must also be mindful of those service members transitioning from active duty to veteran status. It is inexcusable that, after many years of trying, VA and DoD are still unable to transfer medical information. We must continue to work towards a truly seamless transition, which will serve to lessen the delays for disabled veterans, and will help to improve the accuracy of VA's claims with improved and timelier medical data.

To help aid their transition back into civilian life, we also support strengthening the Montgomery GI Bill (MGIB). The MGIB has allowed thousands of men and women to educate themselves and take their places as the leaders of this country. It remains the VFW's goal to have a GI Bill for the 21<sup>st</sup> Century, which, like the WWII model, would pay for the full costs of attendance at any school of a veterans choosing.

Further, we would like to see the \$1,200 buy-in for MGIB eligibility eliminated. No other form of Federal student aid requires payments by individuals. The \$1,200 fee is an unnecessary and

significant burden with the low salaries service members receive during their first year. Additionally, eliminating the fee would help those men and women, whose priorities in life later change to become eligible for the program. Circumstances sometimes change, and we need a MGIB that is flexible enough to adapt.

We would also like to see the benefit provided to the Guard and Reserve strengthened. Over the last several years, the active duty benefit has dramatically increased. And although we would like to see meaningful improvements in that, it is important that the Guard and Reserve portion keep pace. These were not increased in proportion with the Active Duty benefit, and we would like to see them re-proportioned with the Active Duty benefit.

There are several other issues, which while not under the purview of this Committee are important to our members. First, we would urge Congress to approve full and immediate concurrent receipt for all disabled military retirees to eliminate the offset of retired pay and disability compensation. We also would like to see improvements made to the benefits provided to our men and women currently in uniform. We support pay comparability for those in uniform, and improved access to quality housing, including communities with full support for families and children. We also look for improved health insurance coverage options for all members of the guard and reserves. We have made great strides in this area over the last few years, but there is still room for improvement as we attempt to acknowledge the Reserve component's changing role.

We thank you for allowing us to testify today, and we look forward to working with you and the members of this Committee to improve veterans benefits and health care. I would be happy to answer any questions that you or the Committee may have.



**Dennis M. Cullinan, Director  
National Legislative Service  
Veterans of Foreign Wars of the United States**

Dennis Cullinan is a native of Buffalo, New York, and was promoted to the position of Director of the National Legislative Service of the VFW Washington Office.

Prior to being honorably discharged from the U.S. Navy in 1970, Dennis served as an electronic technician aboard the USS Intrepid (CVS-11) and completed three tours of duty in Vietnamese waters. After his discharge, Dennis studied abroad with two years at the Catholic University of Nijmegen, the Netherlands. He later completed his undergraduate education at State University of New York in Buffalo where he also received his M.A. degree in English.

After several years of teaching freshmen composition and creative writing, Dennis became a member of the VFW Washington Office staff in its National Veterans Service department. He later advanced to positions in the VFW's National Legislative Service department and became its Director in August, 1997.

Dennis enjoys an active involvement in crew as a member of the Occoquan Boat Club of Northern Virginia. He and his family reside in Lakeridge, Virginia, where he is a member of VFW Post No. 7916.

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**The Veterans of Foreign Wars is not in receipt  
of any Federal grant or contract.**



**STATEMENT OF**

**JAMES B. KING  
AMVETS NATIONAL EXECUTIVE DIRECTOR**

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**BEFORE THE**

**COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

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**ON**



**THE AMVETS LEGISLATIVE AGENDA FOR 2006**

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**WEDNESDAY, FEBRUARY 15, 2006  
334 CANNON HOUSE OFFICE BUILDING  
10:30AM**

**A M V E T S**

NATIONAL  
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**Chairman Buyer, Ranking Member Evans and members of the House Veterans' Affairs Committee. I am James B. King, national executive director of AMVETS, and it is my pleasure to appear before this committee to present our legislative agenda for 2006. On behalf of AMVETS, the AMVETS Ladies Auxiliary, Sons of AMVETS and our other related organizations, I thank you for giving us this opportunity.**

**For more than 60 years, AMVETS has taken to heart the doctrine of service set forth by our organization's founders. In so doing, we endeavor to provide our fellow veterans with the type of support they truly deserve. This outreach effort takes many forms, from the professional advice our service officers offer about earned veterans benefits, to our legislative efforts on Capitol Hill, to the work done by our hospital volunteers. Other AMVETS members involve themselves in a range of initiatives aimed at contributing to the quality of life in their local communities.**

**These two areas—veterans service and community service—drive our commitment to make a difference in the lives of others. For example, since its inception in the 1950's, the AMVETS National Scholarship Program has awarded more than two million dollars in scholarships to graduating high school students. For the past 17 years, AMVETS has sponsored a youth leadership program in cooperation with Freedoms Foundation at Valley Forge that has served over 700 youth to date. At VA, AMVETS is proud to serve on the National Advisory Committee of Veterans Affairs Voluntary Service Program. Last year, more than 3,000 AMVETS, Ladies Auxiliary and Sons volunteers tallied over 200,000 hours of voluntary service at 146 VA Medical Centers. In addition, more than 10,000 AMVETS from all across the country invested over 700,000 hours working to help veterans and providing an array of community services that enhance the quality of life for our nation's citizens. The Independent Sector annually calculates the value of America's voluntary hours based on the Bureau of Labor statistics. I am pleased to report that based on these statistics, AMVETS provided in excess of \$23 million in voluntary service to the community.**

**As a national veterans service organization, AMVETS is dedicated to the service and best**

**interest of the community, state and nation. We have a long and proud history. Today, AMVETS membership is open to all men and women who have served honorably in the U.S. Armed Forces, Reserves, or National Guard on or after September 15, 1940 and to those who are currently serving our country. We welcome all new members with open arms.**

**Mr. Chairman, America is a blessed nation. We have more money, comforts and luxuries than at any previous time in our history. America is a giant, containing tremendous resources, and presenting a commanding presence around the globe. Our military might is absolutely remarkable and we have a president that is marching our Armed Forces towards victory.**

**A new generation of brave American's are once again deployed around the world, answering the nation's call to arms. Our soldiers are doing everything right, everything that we ask of them and much more. Just as in previous wars this century, our country fights not for land or fortune, but for freedom. In past conflicts, America has fought to secure liberty, abolish slavery and crush communism. Our cause today is equally just. We fight to conquer the evil forces who would rule by fear and are helping spread freedom and democracy around the world.**

**But we are facing a situation where returning soldiers feel abandoned. Wounded warriors recovering at Walter Reed and elsewhere are in a vulnerable place and feel that no one is taking care of them. In many cases, they are right. About 103,000 of the 400,000 military servicemen and women returning from operations overseas need health care services for the physical and psychological traumas of war that may never heal. Seventeen percent of them, in fact, have been diagnosed with post-traumatic stress disorder. Before you think about undermining VA health care, go and visit these injured soldiers. Talk with them and listen to what they have to say. I assure you, you will not leave with a dry eye.**

**We are spending close to \$2 billion a week for operations in Afghanistan and Iraq, yet trying**

to nickel and dime veterans' healthcare here at home. Nobody is saying we are spending too much for our national defense. Nobody is asking us to reduce the defense or VA budget. I believe there is enough money in both budgets to properly equip the military and take care of those who served.

AMVETS is very concerned about a Department of Defense (DoD) proposal to double or triple TRICARE fees paid by retired uniformed services beneficiaries. DoD believes the fee increases will save money by shifting 14 percent of users away from retail outlets and cause 600,000 current enrollees to exit TRICARE by 2011. These brave soldiers put their lives on the line for our national defense, we should not kick them out of a system that was created as a recruitment tool in appreciation of their service.

Unfortunately, new veterans returning home will soon discover that their battle is not over. Many will have life-altering injuries and will turn to VA for their health care needs. That is why it is so critically important that VA be funded at levels that will ensure all eligible veterans have access to and receive quality health care in a timely manner. I come before you to ask that you provide the resources necessary to provide quality care for these new veterans and their families. I ask you to take a look at what the real needs are. I ask you to stop the foolish business of politics.

AMVETS holds that the purpose of the VA medical system is literally what is stated in its mission, "To care for him who hath borne the battle, his widow and his orphan." But veterans continue to suffer as a result of a system that has been routinely under funded and is now ill equipped to handle the large influx of veterans waiting and wanting to use VA services.

As Members of the United States Congress, you are provided with certain benefits that you earned as a representative of the people, paid for at taxpayer expense. I would imagine that you would never vote for any proposal or initiative that would under fund or undermine the integrity of that special delivery system. We ask that you do the same for veterans.

The administration's fiscal year 2007 budget requests a total of \$80.6 billion for the

Department of Veterans Affairs, \$8.8 billion more than last year, a 12% increase. Included in the spending plan is nearly \$34.3 billion for veterans health care, with collections. However, an estimated \$795 million would come directly out of veterans' pockets, not the federal treasury. Veterans should not be asked to fit the bill in order to pay for billions in VA shortfalls. Without collections, the VA healthcare would be funded at \$31.5 billion, \$2.7 billion more than last year.

AMVETS recommends Congress provide \$32.4 billion for veterans health care, an increase of \$3.7 billion over the fiscal year 2006 appropriation, and approximately \$1 billion over the administration's fiscal year 2007 budget request, without collections.

AMVETS is annoyed that the administration is again proposing to increase prescription copays from \$8 to \$15 and create an annual enrollment fee of \$250 for almost 2 million veterans. These new fees will have a dramatic impact on veterans. According to estimates, they will force over one million veterans, half of the Priority 7 and Priority 8 veterans, to drop out of the VA health care system. The premiums have already been paid by service to this country. AMVETS disagrees with this policy and we ask Congress to reject it.

Faced with growing federal budget deficits, it is apparent that the reason for these policies is to generate revenue, save money, and reduce discretionary spending. Year after year, we are told that the budget recommended by the administration and the majorities in the House and Senate are adequate. We know this is not true.

Early on in the budget process last year we recognized that VA grossly underestimated the number of services it would need to provide care for returning soldiers from Iraq and Afghanistan. VA assumed a growth rate of 2.3 percent when actually the growth rate was closer to 5.2 percent. In fact, *The Independent Budget* for fiscal year 2006 projected a growth rate of approximately 5 percent, right on target. But despite our recommendation, Congress relied on statements from the Department of Veterans Affairs, which said that their own recommendation was enough. In reality, they were well over a billion short. I ask that you

listen and pay attention to our recommendations and follow them this fiscal year. We were right then, and we are right now.

**Frankly, the current system of funding veterans' health care is broken. It doesn't work. AMVETS will continue to pursue legislation with eight VSO partners to assure dependable and stable funding of the Department of Veterans Affairs health care system. Specifically, what we seek is assured, or mandatory, funding.**

**Under the current process, VA health care competes with other non-veterans priorities for adequate appropriations. Over the years, this process has proven its weakness in providing for the needs of enrolled veterans. VA struggles each budget cycle to find the funds needed to care for the men and women who served in America's Armed Forces. Shifting to a mandatory funding system will provide a stable and timely system of funding for VA. We ask that you seriously take a look at this idea. It may hard for Congress to swallow, but once health care funding matches the actual cost of care, VA can truly fulfill its mission.**

**We understand that in a time of war resources are scarce. But let's make certain that we select our most important programs over less important ones. According to the non-partisan Congressional Research Service, the number of congressional earmarks has grown from 4,155 valued at \$29 billion in 1994 to 14,211 worth \$53 billion a decade later.**

**Literally thousands of lesser priority, pet projects take away from funding the core benefits and assistance built into the VA system, and affect many other federal programs as well. We know the money VA needs is there. It's always been there. It's just a question of priorities. It is clear to members of AMVETS that if congressional leadership cannot put veterans at the top of the list of priorities within a \$2.77 trillion budget, something is definitely wrong with the priorities of our national leaders.**

**It's frustrating that Congress manages to find money when it needs it. Looking at last year's**

appropriations, Congress found money for the Country Music Hall of Fame, the World Cup, the GRAMMY Foundation, and most disturbing, a five-year, billion dollar program to provide *illegal* aliens with health care. But somehow, when it comes time to fund VA, the bank is broke. AMVETS asks that you first take a look at where the funds are most needed before thinking of your own political gains.

No veteran leaving military service should fall through the bureaucratic cracks. AMVETS believes there is no greater responsibility of DoD and VA than to properly take care of returning soldiers and provide as many tools as possible to assist them in settling back into civilian life. For some war wounded and their families, the seams between systems is frustrating. When a service member separates from military service, the process for determining his or her eligibility for veterans' benefits should be, and needs to be, seamless, timely and accurate. In order to provide a true seamless transition, AMVETS recommends that veterans' basic service information contained in the DD-214 be made available electronically. We ask that you explore ways to make this possible.

I do not think we realize how fortunate we are as a nation to have a highly skilled veteran population able to lend their talents to the workforce. Veterans have the skills that make them assets in a variety of occupations. Leadership, integrity, and teamwork—all of which the military teaches—are universal qualities for every industry.

While Congress has done a good job in reauthorizing training, education and job programs, I encourage you to take a look at the Transition Assistance Program (TAP) and other related programs to ensure all our returning troops get the assistance they need. DoD discharges approximately 25,000 service members annually. Recently separate service personnel are likely to seek immediate employment or continue their formal vocational education. But they need to know all that's available to them.

The Department of Defense estimates that 68 percent of separating service members attend the

**full TAP seminars, but only 35 percent of the reserve components attend. Countless numbers of National Guard and Reserve troops return from the war only to encounter difficulties with their federal and civilian employers at home. AMVETS encourages Congress to explore ways to make TAP participation mandatory for active duty and the Guard and Reserves.**

While speaking about returning troops, we ask that you continue to adequately fund the Department of Labor's Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER) program. Through the implementation of these programs, DOL-VETS assists not only veterans, but also helps Reservists and Guard members in securing employment and protecting their re-employment rights and benefits.

AMVETS asks you to keep a close eye on legislative attempts to consolidate and block grant the DVOP and LVER programs. We remain firmly committed to the belief that this type of veteran-oriented program should remain separate and distinct to ensure that these brave men and women are given the assistance their country owes them for their military service. It would be a grave error to downgrade employment services that specifically help troops returning to the country they fought to defend.

For decades, DVOPs and LVERs have been the cornerstone of employment services for veterans. We believe that it is important for States to continue to be required to hire veterans for these positions. Part of this reason is that these individuals are veterans advocating for veterans. After all, DVOP and LVER staff are the front-line providers for services to veterans. They are the individuals who provide a smooth transition of service members from the military to the civilian workforce. In our view, these people should be veterans.

A practical example of just how important it is for veterans to advocate for veterans can be found within our own organization. The AMVETS Department of Ohio developed and fully operate a 501(c)(3) career center designed to assist veterans in their career needs. The AMVETS Career Center provides a range of services to help veterans find employment in a substantial career, or assists them in refreshing and/or upgrading their skills. For example,

**the Center can help a veteran learn more about computers, business math, business grammar, business management, word processing, database management and so on.**

**The AMVETS Career Center provides these services to veterans who are homeless, unemployed or underemployed, those who want to prepare for a new career or better job, and to recently separated veterans who are making the transition to the civilian workforce. The Center also provides services to non-veterans from the community for a small fee of \$50.00. There is no cost to the veteran.**

**Mr. Chairman, this is just one example of the fine work veterans do for their fellow veteran. They have a natural attachment to the veteran and play a pivotal role in making sure veterans who come back to their hometown have every advantage to excel and be a part of the local workforce.**

**AMVETS is very concerned about the growing backlog of claims that leaves many veterans without due compensation. As of November 2005, the Veteran Benefits Administration reports that 117,766 claims for benefits have been pending for more than 180 days. That's 19,581 more claims pending than at this time last year. There are, of course, reasons for that. Budgets that can't stretch to cover the needs of the VBA; experienced employees retiring and being replaced by novices requiring years of training; and the Global War on Terrorism.**

**The challenge is simple. How can VA adequately process disability claims with the funds and staffing levels they've been given? The answer is they can't. If you cannot get them the funding they need to fully staff all VBA Benefits Offices and Regional Offices, then VA will never be able to do its job to the best of its ability. If VBA is going to reduce the claims backlog to zero; if VBA is going to have to process over three-quarters of a million claims per year; if VBA is going to deal with veterans and their problems, than you need to do your part. You need to get the funds they need to hire additional full time employees, not cut 149.**

**AMVETS supports legislation that would award a military service medal to members of the**

**Armed Forces who served honorably during the Cold War Era. We are disappointed that the Cold War Service Medal did not survive the House-Senate conference on the fiscal year 2006 National Defense Authorization Act. Presidents going back to Truman have recognized the significance of the Cold War. This nation would certainly demonstrate its great respect for the men and women who carried the burden of this policy by creating the Cold War Victory Medal. Members of AMVETS believe the issuance of a victory medal would be a fitting and proper act of appreciation to the veterans who served during this time period.**

**There is one issue that, for veterans, transcends all others. It concerns the desecration of the United States flag. AMVETS will not waiver in its efforts to protect the flag from being dishonored. As a member of the Citizens Flag Alliance, we continue to strongly support a constitutional amendment to protect our most sacred symbol. The flag stand for all that is good about our country. The flag is placed over the coffins of those who died so others might live, it covers the bodies of first-responders who gave their lives in the line of duty, and it flies at half mast in recognition of honorable Americans. It is much more than a piece of cloth. It stands for independence, union, and the values on which it was established. We believe our children should be raised as patriots full of respect for the flag and constitutional values it represents.**

**All fifty State legislatures have passed resolutions asking Congress to submit the flag amendment for ratification. A flag protection amendment is supported by over 80 percent of the American people. If someone desecrated the Halls of Congress, the Lincoln Memorial, or any other of our national monuments, lawful action would be taken against the offenders. We ask nothing more for our flag.**

**On this issue, we recognize and greatly appreciate the members of the House who helped assure overwhelming passage of the flag protection amendment every year. We now ask our Senators to stand up and be counted and bring the flag protection bill to the Senate floor as soon as possible.**

**Additionally, as the committee is aware, there is a growing need for long-term care in VA.**

**Veterans 85 years and older, who are in most need of these services, is expected to reach 1.3 million over the next decade. With the sharp increase in the projected number of elderly veterans, AMVETS believes that VA's extended care services are indispensable to its overall mission in providing veterans health care.**

**We urge you to explore the challenge ahead for providing long-term assistance to veterans. And we seek action that will provide enrolled veterans with affordable access to a continuum of extended care services that include nursing home care, domiciliary care, as well as home and community-based extended care services. In this way, we can assure improved healthcare delivery and enhance the measure of care for elderly veteran patients.**

**I would be remiss if I did not mention and acknowledge the fine work VA nurses provide to wounded veterans. VA nurses care for over five million American veterans nationwide. The VHA has the largest nursing workforce in the country with nearly 59,000 registered nurses, licensed practical nurses, and other nursing personnel. But VA staffing levels are so precious that even the loss of one nurse can result in a critical staffing shortage. Veterans are much more comfortable receiving treatment from nurses who understand their service, who speak the same language, and know what they went through. AMVETS encourages this committee and VA to actively address the factors known to affect retention and retention of VA nurses.**

**We also want the fullest possible accounting of our missing servicemen and ask for your support in the effort to find and identify their remains. This is important. It is a duty we owe the families of those still missing and unaccounted for as well as to those who served or are currently serving. No amount of effort or commitment can compensate for the loss of our service personnel, but the endeavor honors the value of an American's service to the nation.**

**We must certainly remember the widows and survivors of service members who died on active duty or from a service-related disability. AMVETS would like to see Congress review how the Dependency and Indemnity Compensation (DIC) benefits are calculated, which is currently set at a flat rate of \$1,033. As you know, the DoD Survivor Benefit Plan (SBP) benefits are**

calculated at 55 percent of retired pay. AMVETS recommends that the DIC be calculated in a similar manner at 55% of the disabled veterans 100% disability compensation amount. We believe this would help alleviate growing financial difficulties of widows from wars prior to the current conflict who are receiving only DIC.

AMVETS understands many Gulf War and younger veterans are reporting illnesses stemming from weapons containing depleted uranium. This material can remain in the human body for decades, if not life, causing cancers and other unknown illnesses. AMVETS encourages Congress to pass H.R. 4183 and H.R. 4184, which would require the Department of Justice Civil Division to locate and advise these veterans, widows and orphans of the compensation that is due to them.

Lastly, just as we care for veterans who are alive, we must not forget them when they pass. With the aging veterans population continuing to climb, nearly 676,000 veteran deaths are estimated in 2008, increasing annually and peaking at 690,000 by 2009. It is expected that one in every six of these veterans will request burial in a national veterans cemetery.

Mr. Chairman, AMVETS recognizes and appreciates your support and avocation for the National Shrine Commitment. We need to ensure national cemeteries remain dignified and respectful settings that honor deceased veterans and give evidence of the nation's gratitude for their military service. There must be a comprehensive effort to greatly improve the condition, function, and appearance of the national cemeteries. We recommend Congress provide \$50 million in fiscal year 2007 to begin a five-year, \$250 million program to restore and improve the condition and character of NCA cemeteries. Again, we thank you for your leadership in this area, and we look forward in working with you on this initiative.

AMVETS also feels that Congress should review a series of burial benefits that seriously eroded in value over time. With a few modest adjustments, these benefits will make a more meaningful contribution to the burial costs for our veterans.

**Each Memorial Day and Veterans Day we honor the last full measure of devotion veterans gave for this country. Our national cemeteries are more than the final resting place of honor for our veterans, they are hallowed ground to those who died in our defense, and a memorial to those who survived.**

**Mr. Chairman, veterans are no ordinary Americans. They went above and beyond what was ever expected of them. They were part of the Greatest Generation, they fought against communism and tyranny in Korea and Vietnam, and now they fight in the Global War on Terrorism. They fought, bled, and died protecting what they called home.**

**We know you want to provide a better life for our veterans. They dedicated their lives protecting us all and they deserve our gratitude and thanks. Make the hard decisions, stand up for what is right. This is an honorable endeavor, and one that will win you dear friends for life.**

**Great decisions and challenges await us in the months ahead. The membership of AMVETS looks forward to working with you to establish a clear policy of national recognition for those who serve. We have much to do, but we are encouraged in knowing that our work will help the heroes who have borne the battle and lived to tell about it.**

**This concludes my testimony. Again, thank you for extending me the opportunity to appear before you today, and thank you for your support of veterans.**

James B. King  
AMVETS National Executive Director

James B. King was appointed national executive director of the nation's fourth largest veterans service organization on May 21, 2002. In this capacity, he administers the policies of the AMVETS, supervises its national headquarters operations and provides direction, as needed, to state and local components.

The U.S. Marine Corps veteran of 10 years joined AMVETS in 1969 after serving two combat tours in Vietnam with the 3<sup>rd</sup> Marine Division. A life member of AMVETS Post 4 in his hometown of Mount Vernon, Ill, Jim has served in leadership capacities on all levels of the organization.

He was elected AMVETS national commander for 1987-88, after serving consecutive one-year terms as National Vice Commander for membership and programs respectively. Prior to that time, Jim had served, most notably, as Department of Illinois commander and president of the state service foundation.

Long active in veterans' affairs on the state level, Jim also served as president of the Jefferson County, Ill., Veterans Assistance Commission and was appointed as a public member to the Illinois Agent Orange Study Commission. Additionally, he devoted much of his free time to serving as a Department of Veterans Affairs Voluntary Service representative at the VA medical center in Marion, Ill.

Jim and his wife Carol reside in Glen Burnie, Md.

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**S**ERVING  
WITH  
**P**RIDE

February 15, 2006

The Honorable Steve Buyer, Chairman  
House Veterans' Affairs Committee  
Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Buyer:

Neither AMVETS nor I have received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the February 15, 2006, House Veterans' Affairs Committee hearing on the AMVETS legislative agenda for 2006.

Sincerely,



*James B. King*  
James B. King

National Executive Director

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**A M V E T S**

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**STATEMENT OF  
JOSEPH A. VIOLENTE  
NATIONAL LEGISLATIVE DIRECTOR  
OF THE  
DISABLED AMERICAN VETERANS  
BEFORE THE  
COMMITTEES ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.  
FEBRUARY 15, 2006**

Mr. Chairman and Members of the Veterans' Affairs Committee:

On behalf of the more than 1.5 million members of the Disabled American Veterans (DAV) and its Auxiliary, I am pleased to discuss the agenda and major concerns of our nation's wartime disabled veterans and their families.

However, Mr. Chairman, I must state that the DAV and its members are not pleased with the fact that our joint hearings have been cancelled. The opportunity to present testimony before joint hearings of the House and Senate Veterans' Affairs Committee has been a long-standing tradition enabling veterans service organizations (VSOs) the occasion to provide the authorizers of veterans' programs with our legislative agenda and concerns. These hearings also provided your members with the chance to address the numerous constituents who are present from their states, and it provided DAV members with the opportunity to see their elected officials respond to issues critical to them and other disabled veterans. Hundreds of DAV members make this annual pilgrimage to our nation's capital to witness this event.

It is our sincere desire that you would reconsider your decision and allow us the opportunity to again appear before a joint hearing of the Veterans' Affairs Committees. Thank you for your consideration of the matter.

Mr. Chairman, today, America's sons and daughters, grandchildren and, in some cases, great-grandchildren are serving our nation in our armed services, protecting our freedoms here and abroad. Many are fighting and dying in our War on Terror in Operations Enduring Freedom and Iraqi Freedom. These brave men and women are attempting to bring peace and democracy to an area of the world that has known neither for centuries. These brave soldiers, sailors, airmen, Marines, and coast guardsmen, whether active duty, reservists, or national guardsmen, are also serving to ensure our safety and preserve our cherished way of life.

It is because of our nation's ongoing War on Terror and the aftermath of that war on our youth that the DAV's focus on veterans' programs has been with an eye towards the future. Each day, new combat-injured and other casualties of our War on Terror return to America for medical care and rehabilitation of their injuries. For many, rehabilitation of their physical wounds will require years of sustained medical and rehabilitative care services.

Not since the Vietnam War has our nation had to deal with such a significant number of severely disabled wartime casualties. As of January 3, 2006, there were 381 amputees from Operations Iraqi Freedom and Enduring Freedom. These individuals have sustained the loss of an arm(s), leg(s), hand(s), and/or foot (feet). This number includes 276 soldiers, 45 of whom have multiple amputations; 87 Marines, 14 of whom have multiple amputations; 7 sailors, one of whom has multiple amputations; 6 airmen, one of whom has multiple amputations. Of the 381 amputees, 104, or 27% of these individuals have upper extremity amputations.

Although the medical care and services they are receiving from the military today is excellent, I am concerned about their ability to receive quality health care in a timely manner from the VA in the future, if our government continues to fund VA programs at inadequate levels or undermines the “critical mass” of patients needed to provide a full continuum of quality health care to disabled veterans currently enrolled in the VA health care system and those who will enroll in the future.

It has been stated: “To prepare for the future, examine the present. To understand the present, study the past.” The DAV has undertaken such a study.

In a recently published history of the DAV, *Wars & Scars*, DAV’s Adjutant and Chief Executive Officer, Arthur H. Wilson, noted:

This great organization was formed as our country struggled to deal with the painful effects of World War I. At this moment, our Nation is struggling once again with the impact of war—as American men and women face combat in Iraq, Afghanistan, and other nations.

A great deal has changed in the 85 years since the DAV was founded, but this much has remained the same: those who come home from war wounded and sick need the care and attention of a grateful nation....

Since its inception, the DAV, then known as Disabled American Veterans of the World War, looked to protect the interests not only of current veterans, but for those who would follow them.

The purpose those disabled veterans set for themselves in 1921 remains the same today: building better lives for all of our nation’s disabled veterans and their families.

Like the founders of this great organization, we must be farsighted enough to ensure that VA remains a viable provider of veterans’ benefits and health care services for our newest generation of disabled veterans. These brave young men and women will need the full continuum of care and services VA provides today, well into the latter part of this century.

Last year, in March 2005, then National Commander James E. Surseley, expressed his concerns about the VA’s ability to care for our nation’s sick and disabled veterans and reported news articles from around the country about shortfalls in health care funding to this Committee

and the Senate Veterans' Affairs Committee. These stories began appearing in the news media in December 2004.

Mr. Chairman, that was a year ago. Between then and now, Congress stepped up and provided supplemental funding for VA for fiscal year 2005, and designated \$1.2 billion as emergency funding for fiscal year 2006. The DAV was pleased when the President signed off on that emergency designation on January 28, 2006, and that money became available to VA. However, we are hearing from the field nationwide that budget woes are still present in 2006. The hiring freeze is still in place. A review of the recently submitted Administration's budget proposal demonstrates unchanged employee levels in health care for fiscal years 2005 and 2006.

It is our understanding that VA medical facilities are required to "pay back" a substantial portion of the money they received from VA Central Office for the shortfalls in funding for fiscal year 2005. Some facilities are reporting that the increase they received in the fiscal year 2006 budget will help to pay for salary increases only. Others report continued deficits and backlogs. Some are actually reducing non-VA health care. And some medical facilities are questioning how they will make it through this year.

Mr. Chairman, it is our sincere desire that Congress will not allow VA to get into another shortfall situation like the fiscal year 2005 fiasco. The DAV was grateful that Congress enacted the requirement that VA report to Congress quarterly on its state of affairs. We look forward to reviewing that first report.

Mr. Chairman, I can assure you that the DAV, along with other members of the *Independent Budget*, AMVETS, Paralyzed Veterans of America, and Veterans of Foreign Wars of the United States, does not ask for more money from VA just to help VA build a large fiefdom. Our monetary and program recommendations are based on not only discussions with the "bean counters" and program directors at VA Central Office, but also on conversations with VA employees who are on the front line of providing care and services to our nation's sick and disabled veterans. We also receive information from our members and employees about the state of affairs at VA facilities nationwide.

The time is now for all of us—Congress, the Administration, and the veterans' community—to come together to resolve the inherent problems involved in funding VA health care. It is shameful that veterans are forced each year to come to Congress to beg for necessary additional funding for VA programs.

As called for in the President's fiscal year 2007 budget submission, total VA funding for the next fiscal year would increase about 12%, from the current \$71.8 billion to \$80.6 billion. More than half of the budget would go for mandatory programs such as disability compensation and pension benefits. Medical care for veterans would rise from \$30.8 billion to \$34.3 billion, or an 11% increase. In testimony, VA is on record as stating that it needs an annual 13% to 14% increase in medical care funding to provide current services. Fortunately, this year's budget proposal comes much closer to meeting the needs of our nation's sick and disabled veterans than the past several years. Although there is still a significant gap between what has been proposed and what is needed to ensure timely access to health care services and benefit decisions.

The DAV and other major veterans service organizations are united in calling on Congress to provide about \$26 billion for veterans medical services, almost \$1.3 billion more than the President has requested, and we are united in opposition to imposing new fees and higher co-payments on certain veterans who choose to get their care from the VA.

The Administration wants to impose a new \$250 annual user fee on certain veterans who also would see their prescription drug co-payments almost doubled, from \$8 to \$15. Those veterans, some of whom are DAV members, already pay for the health care they receive from the VA. Adding to their out-of-pocket costs would force them out of the system and put even greater strain on resources needed to treat their fellow veterans. The cost of medical care for these veterans is the least costly care of any group of veterans treated by VA, and these groups bring in the highest level of collections.

A medical system that only treats the sickest of the sick and the poorest of the poor is not sustainable and would be undesirable. In the end, it would seriously erode the quality of care for today's veterans and tomorrow's.

While we can never fully repay those who have stood in harm's way protecting freedom, a grateful nation has established a system to provide benefits and health care services to veterans as a measure of restitution for their personal sacrifices and as a way for all citizens to share the costs of war and national defense.

Because of their extraordinary sacrifices and contributions in preserving our cherished freedoms and way of life, veterans have earned the right to VA health care as a continuing cost of national defense and security. The Health Care Eligibility Reform Act of 1996 authorized eligible veterans access to VA health care and brought us closer to meeting our moral obligation as a nation to care for veterans and generously provide them the health care they rightfully deserve. More importantly, it also authorized VA to provide a full continuum of care to veterans, thereby greatly improving the quality of care VA provides. Today, the quality of VA health care is recognized worldwide.

The improvement in the quality of VA health care is directly due to the changes brought about by the Health Care Eligibility Reform Act of 1996. We firmly believe this to be true and we look forward to your hearing to retrospectively review this Act.

However, ten years after eligibility reform, DAV and other veterans organizations continue to petition Congress for meaningful action to ensure that VA has sufficient funding to care for those veterans who come to VA for their medical care needs. Guaranteed funding for VA health care is a viable solution to the current crisis in VA health care and is supported by all the major veterans service organizations.

To guarantee the viability of the VA health care system for current and future service-connected disabled veterans, it is imperative that our government provide an adequate health care budget to enable VA to serve the needs of disabled and sick veterans nationwide. To meet those needs, it is imperative that the funding for the VA health care system be guaranteed and that all

service-connected disabled veterans and other enrolled veterans be able to access the system in a timely manner to receive the quality health care they have earned. By including all veterans currently eligible and enrolled for care in a guaranteed funding proposal, the system and the specialized programs VA developed to improve the health and well-being of our nation's service-connected disabled veterans will be protected, now and into the future. To exclude a large segment of currently eligible and enrolled veterans from the VA health care system, however, could undermine VA's ability to provide a full continuum of care and specialty care to disabled veterans in the future.

VA is the largest integrated health care system in the United States with 7.5 million enrollees, 1,300 sites of care, including 156 medical centers or hospitals, 720 outpatient clinics, 206 readjustment counseling centers, 43 residential rehabilitation treatment programs, and 134 nursing homes. VA has 197,650 health care employees and affiliations with 107 academic health systems. The veterans health care system offers an array of specialized services to meet the complex health care needs of veterans who tend to be older, sicker, and poorer than the population as a whole. Many of these specialized services in areas such as prosthetics, spinal cord injury, blind rehabilitation, post traumatic stress disorder, serious mental illness, and traumatic brain injury are not readily available in the private sector.

As the debate over national health care continues, this country cannot afford to ignore the hundreds of hospitals, clinics, nursing homes, and other facilities that care for America's veterans. We cannot sit silently on the sidelines as the debate moves forward. The virtues and benefits of the VA health care system must be part of the debate. If we don't make our voices heard, we could be in jeopardy of losing the system designed to meet the unique health care needs of sick and disabled veterans.

The change in the VA health care system due to eligibility reform has created a more cost effective and efficient health care system. Progress made as a result of these changes has made VA a world leader in the health care industry. VA consistently sets the benchmark for patients' satisfaction in inpatient and outpatient services, according to the American Customer Satisfaction Index. The Institute of Medicine has recognized the VA as one of the best in the nation for its integrated health information system. The top-notch research done at VA facilities benefits all Americans, not just veterans. VA medical, prosthetic, and health services researchers have received Nobel Prizes and other distinguished awards for their work at VA. Major breakthroughs pioneered by the VA are invaluable to the entire health care profession. The VA also leads the nation in geriatric research, education, and training and provides long-term care for thousands of veterans each year.

In addition to these notable accomplishments, VA medical facilities are a strategically located national resource. By statute, the VA serves as a backup to the Department of Defense and the National Disaster Medical Systems in time of national emergency. This so-called fourth mission for the VA is especially important while the nation is at war and remains at risk for terrorist attacks that could injure or sicken thousands. However, this fourth mission has never been properly funded.

Even though VA is unquestionably a success story, Congress typically provides an annual discretionary appropriation for veterans health care that falls far short of actual needs. Over the years, funding needed to ensure health care programs and services are readily accessible for veterans has not kept pace with inflation, let alone the increased demand for services.

When resources are inadequate to meet demand, VA hospital directors are forced to ration care, and Veterans Health Administration (VHA) policymakers must make difficult decisions and set priorities for care delivery. The current discretionary funding method used to appropriate resources for VA, coupled with continued inadequate and frequently late budgets, have created a funding crisis in the system and jeopardize quality of care to America's sick and disabled veterans.

We believe funding for veterans benefits and health care services should be a top priority for Congress and the Administration as a continuing cost of our national defense. Once the guns fall silent, veterans should not have to beg for benefits they have earned and rightfully deserve for their service and sacrifice. A promise of benefits and services alone is not good enough. Approved programs must be sufficiently funded. As a nation, we must be willing to bear the costs of providing special benefits to such a unique group—those men and women who were willing, on behalf of all Americans, to serve in peace time and fight our wars to preserve our cherished freedoms and democratic values. To assure the veterans medical care system is maintained as a top government priority, its funding should be mandatory to remove it from competition with politically popular but less meritorious projects and programs.

An American servicemember injured today in Afghanistan or Iraq will need the VA health care system beyond the middle of this century. However, if the VA health care system is allowed to be significantly reduced, these brave men and women would not likely be able to replicate the special care they receive from VA in the private sector, which is currently undergoing a crisis of its own.

During this period of war, emphasis has been placed on ensuring that newly returning war wounded veterans have top priority for treatment at VA facilities. Although no one would question that this new generation of veterans deserves ready access to VA's specialized health care services, we must not forget there are previous generations of veterans who continue to rely on the VA health care system for service-related injuries incurred decades ago. As veterans age, those with catastrophic spinal cord injury, limb loss, blindness, post traumatic stress disorder, and traumatic brain injury often require more medical attention than in the past for their service-connected conditions. Likewise, other veterans dependent on VA health care services deserve timely access to care as well. Funding must be sufficient to provide timely quality health care to all enrolled veterans.

We recognize that providing full funding for VA health care will not solve all of VA's problems. However, VA, as the largest integrated health care system in the United States, must have a sufficient budget to effectively manage its health care programs and services and to hire the appropriate number of clinicians, nurses, and support staff to meet the demand for high quality medical care. VA must also have the ability to adequately prepare for the coming year

well in advance. With guaranteed funding, VA can strategically plan for the future to optimize its assets, achieve greater efficiency, and realize long-term savings. The current discretionary funding mechanism for VA medical care benefits neither VA nor taxpayers, and it certainly is having a negative impact on veterans.

One thing is clear—the shortfall in the fiscal year 2005 budget for VA medical care has had a sobering effect on local medical centers, as I noted earlier. The Administration's initial budget recommendation for VA health care in fiscal year 2006 was a recipe for disaster. Backfilling these shortfalls does not have the same effect as providing VA with the proper funding levels at the beginning of each fiscal year.

Forcing VA to ration health care to veterans and then trying to play "catch-up" when much-needed funds are belatedly infused into the system is at cross purposes with providing quality health care in a timely manner. It also prohibits VA officials from adequately planning for future health care needs, such as hiring doctors, nurses, and other health care providers.

Mr. Chairman, mandatory or guaranteed health care funding would not create an individual entitlement to health care, nor change the VA's current mission. Making veterans health care funding mandatory would eliminate the year-to-year uncertainty about funding levels that have prevented the VA from being able to adequately plan for and meet the growing needs of veterans seeking treatment. Again, rationed health care is no way to honor America's obligation to the brave men and women who have so honorably served our nation and continue to carry the physical and mental scars of that service.

Mr. Chairman, I will now focus on the benefits side of VA.

A core mission of the VA is the provision of benefits to relieve the economic effects of disability upon veterans and their families. For those benefits to effectively fulfill their intended purpose, VA must promptly deliver them to veterans. The ability of disabled veterans to care for themselves and their families often depends on these benefits. The need for benefits among disabled veterans is usually urgent. While awaiting action by VA, they and their families suffer hardships; protracted delays can lead to deprivation, bankruptcies, and homelessness. Disability benefits are critical, and providing for disabled veterans should always be a top priority of the government.

VA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. However, VA has neither maintained the necessary capacity to match and meet its claims workload nor corrected systemic deficiencies that compound the problem of inadequate capacity.

Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has lost ground to the problem, with the backlog of pending claims growing substantially larger. The claims backlog has swollen, and the appellate workload is growing at an alarming rate, suggesting further degradation of quality or at least continuation of quality problems.

Insufficient resources are the result of misplaced priorities, in which the agenda is to reduce spending on veterans programs despite a need for greater resources to meet a growing workload in a time of war and a need for added resources to overcome the deficiencies and failures of the past. Instead of requesting the additional resources needed, the President has sought and Congress has provided fewer resources. Recent budgets have sought reductions in fulltime employees for the Veterans Benefits Administration (VBA) in fiscal years 2003 through 2006. Since fiscal year 2003, VBA has lost about 600 employees. Such reductions in staffing are clearly at odds with the realities of VA's workload and its failure to improve quality and make gains against the claims backlog.

The fiscal year 2007 budget submission again fails to provide sufficient resources to VBA to handle the claims workload. Let me now turn to the President's budget request for the VBA under the General Operating Expenses account. We are pleased to see that the President finally recognizes a need to add more staffing to meet the workloads in the education benefits program and the vocational rehabilitation and employment program, though these requests still fall short of what is necessary. At the same time, we are perplexed by the budget recommendation to reduce direct program staffing for compensation claims processing, an area with the most critical and widely acknowledged need for additional adjudicators.

The President's budget requests 930 full-time employees (FTE), an increase of 46 above the fiscal year 2006 authorization, for VBA's Education Service. As a partner in *The Independent Budget* (IB), the DAV recommends 1,033 FTE for Education Service. This increased staffing is needed to make up for improvident reductions in staffing in FYs 2004 and 2005 and to meet the increased workload.

For the Vocational Rehabilitation and Employment business line, the President's budget requests 1,255 FTE, an increase of 130 FTE over the FY 2006 level. The IB recommends 1,375 FTE. This represents an additional 200 FTE as recommended by the VA Vocational Rehabilitation and Employment Task Force to improve the program, along with another 50 additional FTE for management and oversight of contract counselors and rehabilitation and employment service providers.

Based on the adverse and long-standing problems from chronic understaffing in VBA's Compensation and Pension Service (C&P), compounded by anticipated increased claims volumes, the IB recommended 10,820 FTE for C&P Service. The President's budget requests 9,445 FTE, which would reduce direct program FTE for handling compensation claims by 149 in 2007. Even with ambitious assumptions of increased production during FY 2006 and FY 2007 despite this reduction in staffing and even with unsupported projections of slowed growth in the volume of new claims in both years, the budget concedes that the already unacceptable claims backlog would grow even larger in 2006 and 2007. To knowingly request resource levels that will only make an intolerable situation worse, is indefensible, and we urge the Committee to recommend adequate staffing for C&P.

VA must have a long-term strategy focused principally on attaining quality and not merely achieving production numbers. It must have adequate resources, and it must invest them in that long-term strategy rather than reactively targeting them to short-term, temporary, and

superficial gains. Only then can the claims backlog really be overcome. Only then will the system serve disabled veterans in a satisfactory fashion, in which their needs are addressed timely with the effects of disability alleviated by prompt delivery of benefits. Veterans who suffer disability from military service should not also have to needlessly suffer economic deprivation because of the inefficiency and indifference of their government.

Mr. Chairman, major policy positions of the DAV are derived from resolutions adopted by the delegates to our annual National Conventions. Since our first National Convention in 1921, the DAV's annual legislative program has served to guide our advocacy for disabled veterans in accordance with the will of our members. Our 2006 mandates cover a broad spectrum of VA programs and services and have been made available to the members of your staffs. Since DAV was founded in 1920, promoting meaningful, reasonable, and responsible public policy for disabled veterans has been at the heart of who we are and what we do. Our will and commitment come from the grassroots, nurtured in the fruitful soil of veterans' sacrifices and strengthened by the vitality of our membership.

With the realization that we shall have the opportunity to more fully address those resolutions during hearings before your Committees and personally with your staffs, I shall only briefly comment upon a few of them at this time.

What I communicate to you here today echoes the hopes and desires and, in some cases, the despair of disabled veterans, who appeal to the conscience of the nation to do what is right and just. Accordingly, in addition to correcting the budget process for VA health care and the problems at VBA prohibiting the timely and accurate production of claims decisions, the members of the DAV call upon the members of this Committee to:

- Increase the face value of Service Disabled Veterans' Insurance (SDVI). The current \$10,000 maximum for life insurance for veterans was first established in 1917, when most annual salaries were considerably less than \$10,000. The maximum protection available under SDVI should be increased to at least \$50,000 to provide adequately for the needs of our survivors.
- Authorize VA to revise its premium schedule for SDVI to reflect current mortality tables. Premium rates are still based on mortality tables from 1941, thereby costing disabled veterans more for government life insurance than is available on the commercial market.
- Extend eligibility for Veterans Mortgage Life Insurance to service-connected veterans rated permanently and totally disabled.
- Support additional increases in grants for automobiles or other conveyances available to certain disabled veterans and provide for automatic annual adjustments based on increases in the cost of living.
- Provide additional increases in the specially adapted housing grant and automatic annual adjustments based on increases in the cost of living.
- Support legislation to remove the prohibition against concurrent receipt of military longevity retirement pay and VA disability compensation for all affected veterans.
- Support equal medical services and benefits for women veterans.
- Extend commissary and exchange privileges to service-connected disabled veterans.

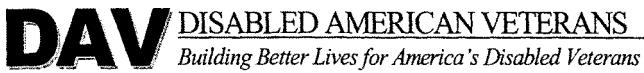
- Extend space-available air travel aboard military aircraft to 100% service-connected disabled veterans.
- Support legislation to allow all veterans to recover amounts withheld as tax on disability severance pay. Currently, a three-year statute of limitations bars many veterans from recovering the non-taxable money withheld by the Internal Revenue Service.
- Restore protections against unwarranted awards of veterans' benefits to third parties in divorce actions by prohibiting courts from directly ordering payment of such benefits to third parties, other than dependent children.
- Support an expansion of POW presumptions.
- Provide educational benefits for dependents of service-connected veterans rated 80% or more disabled.

In honor of the brave men and women—our heroes who have sacrificed so much and who have contributed greatly to protect and defend our cherished freedoms—who were disabled as a result of their military service, the DAV is providing major support to the Disabled Veterans LIFE Memorial Foundation in its work to construct a memorial to disabled veterans in Washington, D.C. Congress has enacted legislation that authorizes construction of the memorial on select lands in the shadow of the U.S. Capitol. There are companion bills in both chambers—H.R. 1951 in the House and S. 633 in the Senate—to provide for the minting of coins by the Treasury to commemorate disabled veterans and to contribute the surcharges on the coins to the fund for construction of the American Veterans Disabled for Life Memorial. I want to especially urge the members of this committee to give their full support to this legislation.

Mr. Chairman, as you can see, our work for disabled veterans and their families continues to involve many issues and many challenges. Although we can be proud of the accomplishments made on behalf of disabled veterans in the past, much remains to be done. When it comes to justice for disabled veterans, we cannot be timid in our advocacy. This Committee and the DAV, working together with mutual cooperation, must battle for what is best for our nation's disabled veterans—both today's and tomorrow's disabled veterans. Veterans have every right to expect their government to treat them fairly.

Our nation's history of meeting our obligations to veterans has fallen short not only of its highest ideals but also of its capabilities. We simply have not always kept veterans at the top of the list of national priorities. Our government can no longer excuse its failure to provide veterans the benefits and services they rightfully deserve by saying it cannot afford to fully honor its promises. We have the means to meet those obligations. Now our nation, a nation once again at war, must demonstrate it has the will to do so.

Mr. Chairman, this completes my testimony. I'll be happy to answer any questions the members of this Committee might have.



### BIOGRAPHICAL INFORMATION

#### **JOSEPH A. VIOLENTE**

National Legislative Director  
Disabled American Veterans

Joseph A. Violante, a disabled Vietnam veteran, was appointed National Legislative Director of the million-member Disabled American Veterans (DAV) in July 1997. He is employed at the organization's National Service and Legislative Headquarters in Washington, D.C.

A New Jersey native, Mr. Violante joined the Marine Corps in 1969. He served with the 2nd Battalion, 4th Marines in Vietnam, and was discharged in 1972 with the rank of sergeant. He attended the University of New Mexico and received a bachelor's degree in history and political science, and earned his law degree from the University of San Fernando Valley, College of Law, in California. Mr. Violante was a practicing attorney in Thousand Oaks, Calif., before moving to Washington, D.C., to work as a Staff Attorney at the Department of Veterans Affairs' Board of Veterans' Appeals in 1985.

Mr. Violante joined the DAV's professional staff as Staff Counsel/Judicial Appeals Representative at the Court of Veterans Appeals Office in 1990. He was Legislative Counsel for the DAV in 1992 and was later promoted to Deputy National Legislative Director in 1996, prior to his current appointment.

Mr. Violante joined the DAV as a life member in 1982. Since 1987, he has been a member of Omaha Beach Chapter 7 in Bowie, Md. He served as Chapter Commander in 1989-90, and on the Department of Maryland Executive Committee from 1988 to 1991. He currently serves on the Department of Maryland's legislative committee.

Mr. Violante's involvement with veterans' issues reaches beyond the DAV. He was elected to the Board of the National Foundation for Women Legislators in Sept. 2001 and is a member of the Board of Governors of the Federal Circuit Bar Association. He currently produces legislative articles for *Tommy*, a quarterly publication of the Veterans Law Committee, and is a life member of the Veterans of Foreign Wars and 3<sup>rd</sup> Marine Division Association. Additionally, Mr. Violante co-hosted "Veteran's Forum," a local cable television program dedicated to veteran's issues from 1991 to 1994; previously chaired the Veterans Appeals Committee and Legislative Committee of the Federal Circuit Bar Association from 1992 to 1996 and 1997 to 2001, respectively; was vice-chair of the Veterans Benefits Committee of the American Bar Association from 1991 to 1994; and was an at-large member of the board of governors of the Veterans Law Committee of the Federal Bar Association from 1992 to 1993.

Mr. Violante and his wife, Linda, are the parents of three children, Joseph, Christy and Gina. They live in Bowie, Md.

09/03



**DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS**

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received \$55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received \$8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

# LEGISLATIVE PRIORITIES OF THE JEWISH WAR VETERANS OF THE USA

As Presented By  
**Herb Rosenbleeth**  
**Colonel, USA (Ret)**  
**National Executive Director**



February 15, 2006

## JEWISH WAR VETERANS OF THE USA



**COLONEL HERB ROSENBLEETH, USA (RET)**  
**NATIONAL EXECUTIVE DIRECTOR**  
**NATIONAL LEGISLATIVE DIRECTOR**

Colonel Herb Rosenbleeth's military career began with five years enlisted U.S. Marine Corps Reserve service. He was discharged as a lance corporal and then served twenty-six years in world-wide U.S. Army commissioned service, first as a platoon leader in the Second Armored Division and then as a company commander in Germany.

Other overseas assignments included Vietnam and Iran, and ultimately, as Director, Program Review and Evaluation in the Office of the Secretary of Defense. Rosenbleeth was awarded the Defense Meritorious Service Medal by then Secretary of Defense Frank Carlucci.

In February, 1988, following that key assignment in the Office of the Secretary of Defense, Colonel Rosenbleeth joined JWV as the National Legislative Director representing the organization on Capitol Hill, at the VA and Pentagon, and with national Jewish organizations. Rosenbleeth testifies on behalf of JWV before congressional committees and represents JWV at hearings on issues involving human rights, national defense, arms sales and foreign relations. On February 9, 1991, he became the National Executive Director of JWV.

Rosenbleeth has been appointed to the President's Committee for the Employment of the Disabled.

As National Executive Director, Colonel Rosenbleeth has served on the JWV Centennial Committee, and is the Washington representative on Capitol Hill, at the Military Coalition, the Department of Veterans Affairs and the Pentagon.

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## **INTRODUCTION**

Chairman Buyer, Ranking Member Evans and members of the House Committee on Veteran Affairs, I am Colonel Herb Rosenbleeth, USA (Ret) the National Executive Director of the Jewish War Veterans of the USA (JWV). JWV is Congressionally Chartered and provides counseling and assistance to members concerning the Department of Defense (DoD), the Department of Veterans Affairs (VA), and other government agencies. JWV is an active participant in The Military Coalition, a group of over 30 military associations and veterans' organizations representing over five million active duty, reserve and retired uniformed service personnel, veterans and survivors on Capitol Hill.

Mr. Chairman, next month, on March 15<sup>th</sup> to be exact, we at JWV will celebrate JWV's 110<sup>th</sup> birthday. For these 110 years, JWV has advocated a strong national defense and a just and fair recognition and compensation for veterans. The Jewish War Veterans of the USA prides itself in being in the forefront among our nation's civic and veterans groups in supporting the well-earned rights of veterans, in promoting American democratic principles, in defending universal Jewish causes and in vigorously opposing bigotry, anti-Semitism and terrorism both here and abroad. Today, even more than ever before, we stand for these principles. The Jewish War Veterans of the USA represents a proud tradition of patriotism and service to the United States of America.

JWV believes Congress has a unique obligation to ensure that veterans' benefits are regularly reviewed and improved to keep pace with the needs of all veterans in a changing social and economic environment. We must improve access to veterans' health care, increase timeliness in the benefit claims process, and enhance access to national cemeteries and to state cemeteries for all veterans.

Mr. Chairman, we appreciate having the opportunity to present our views to the Congress. Every year for decades, the veterans service organizations look forward

to having their members come to Washington to personally present our legislative priorities to a Joint Session of the House and Senate Veterans Affairs Committees. This wonderful tradition has been going for so long; I haven't been able to find anyone who can recall when it began. Sadly, the tradition has ended.

Mr. Chairman, your arbitrary decision to cancel the March hearings creates a feeling of great disappointment among our members. We were all eagerly looking forward to hearing National Commander David L. Magidson present our legislative priorities to a Joint Session of the House and Senate Veterans Affairs Committees. At each Annual National Convention, our members work very diligently to develop our resolutions which become our legislative priorities. Your decision to cancel the highly anticipated Joint Session has created a feeling of disillusion and frustration among our members. Mr. Chairman, JWF and the other organizations deserved better.

#### **GOVERNMENT FUNDING**

**The Jewish War Veterans of the USA, Inc. does not receive any grants or contracts from the federal government.**

#### **VA BUDGET FOR 2007**

The administration's budget submission calls for a veterans' health care budget of \$34.3 billion, "an increase of \$3.5 billion more than 2006", according to a VA release on the budget. While this seems like a big increase, this budget proposal does not request enough to meet the federal government's obligation to veterans. In fact, this budget will force increasing numbers of veterans out of the health care system. Both the Administration and the VA have repeatedly underestimated the number and severity of wounded service members returning from Iraq and Afghanistan, thereby repeatedly requiring supplement appropriation requests.

The proposed VA budget for 2007 is another attempt to drive down demand, to further drive Priority 7 and 8 veterans out of the system. This is in addition to the more than a quarter of a million veterans who have already been shut out of the VA health care system. Denying earned benefits to eligible veterans is no way to solve the problems resulting from an inadequate budget.

### **MANDATORY FUNDING FOR THE VA**

JWV's major legislative goal is the passage of Mandatory Funding for the VA, thus providing an assured adequate level of funding for veterans' health care. This legislation would require the Secretary of the Treasury to make available to the Secretary of Veteran Affairs for programs, functions, and activities of the Veterans Health Administration for FY 2007, 130 percent of the amount obligated during FY 2005. The current bill number is HR-515.

The Jewish War Veterans of the USA strongly endorses and supports the efforts of Congressman Evans and other members of Congress to provide required funding for veterans' health needs through the introduction of H.R. 515, the Assured Funding for Veterans Health Care Act of 2005.

The Jewish War Veterans of the USA agrees in the strongest possible terms with these friends of veterans' contention that "We can no longer allow the VA to be hostage to the administration's misplaced priorities and the follies of the Congressional budget process. This bill would place veterans' health care on par with all major federal health care programs by determining resources based on programmatic need rather than politics and budgetary gimmicks."

Under the current system, funding for veterans' health care is subject to reduction at any time due to political and programmatic pressures to take money earmarked for the care of those who have served the country, many on the field of battle, and divert those funds to other programs. In this way, the most deserving

among us, those who have fought to defend our basic freedoms, are often denied the care which they have earned, which they have been promised, and which they deserve.

The lack of prompt access to the care they deserve and have earned is not acceptable. As the wounded come home in ever-increasing numbers from the battlefields of Iraq and Afghanistan, the problem will only worsen in the years to come. Therefore, it is imperative that all those who honor our brave fighting men and women come together to support Rep. Lane Evans' bill.

It is not enough to mouth support for our current troops and those who fought the brave fight before them. We must all support mandatory funding to ensure their future needs as set out in the legislation proposed by our friends. The Jewish War Veterans of the USA urges everyone to contact his/her senators and representatives to urge their support for this bill and corresponding legislation in the Senate. Our country owes health care to our veterans who must not be dependent on the whims of the political process to get the benefits they have earned. We must remove funding for veterans' health care from the vagaries of political maneuvering.

#### **POST TRAUMATIC STRESS DISORDER**

JWV is also focusing on legislation to improve programs for the identification and treatment of post-deployment mental health conditions, including post-traumatic stress disorder, in veterans and members of the Armed Forces. The current bill number is HR 1588.

#### **THE MILITARY COALITION**

JWV continues to be a proud member and active participant of the Military Coalition (TMC). PNC Bob Zweiman, JWV's Chairman of the Coordinating

Committee, serves on the Board of Directors of the Coalition and I serve as our Washington representative and as Co-Chair of the Coalition Membership and Nominations Committee.

JWV requests that the House and Senate Committees on Veterans' Affairs do everything possible to fulfill the legislative priorities of the Military Coalition. These positions are well thought out and are clearly in the best interests of our military personnel, our veterans and our nation's security.

### **PRIORITY GROUP 8 VETERANS**

Since January 17, 2003, access to Department of Veterans Affairs (VA) care for new Priority 8 veterans has been prohibited. More than 260,000 veterans have applied to receive VA health care but have been turned away because of the cost-cutting decision to limit veterans' access to VA hospitals, clinics and medications. Citing the words of our National Commander, David L. Magidson: "There is no reason for the VA to deny health care to veterans who have served our country honorably. We should never leave any veteran behind."

### **SUPPORT FOR THE NATIONAL GUARD AND RESERVE**

The Jewish War Veterans of the USA recognizes the National Guard and Reserve as being essential to the strength of our nation and the well-being of our communities.

In the highest American tradition, the patriotic men and women of the National Guard and Reserve serve voluntarily in an honorable and vital profession. They train to respond to their community and their country in time of need. They deserve the support of every segment of our society.

If these volunteer forces are to continue to serve our nation, increased public understanding is required of the essential role of the National Guard and Reserve in

preserving our national security. Their members must have the cooperation of all American employers in encouraging employee participation in National Guard and Reserve training programs.

The Jewish War Veterans of the USA encourages all employers to pledge that:

1. Employment will not be denied because of service in the National Guard or Reserve;
2. Employee job and career opportunities will not be limited or reduced because of service in the National Guard or Reserve;
3. Employees will be granted leaves of absence for military training in the National Guard or Reserve, consistent with existing laws, without sacrifice of vacation;
4. Employers must recognize that their employees' rights must be protected when their workers are activated in the war against terrorism, regardless of whether that activation was for State or Federal service; and
5. Leading by example, the Jewish War Veterans of the USA, as an employer, has signed a pledge under the auspices of the National Committee for the Employer Support of the Guard and Reserve, to be a good employer. We ask our members who are employers to do so as well.

The Jewish War Veterans of the USA demands that all members of the National Guard and Reserves be treated as equal partners in America's total force structure entitled to all of the rights and benefits afforded to those in the active components and that they be equipped with all assets necessary to perform their mission.

### **CONCLUSION**

JWV National Commander David L. Magidson's motto is, "Never leave ANY veteran behind!" Mr. Chairman, I ask the Members of this Committee to make this your motto also.

THE BLINDED VETERANS ASSOCIATION  
TESTIMONY

PRESENTED BY

TOM MILLER  
EXECUTIVE DIRECTOR

BEFORE THE  
HOUSE VETERANS AFFAIRS COMMITTEE



February 15, 2006

## INTRODUCTION

Mr. Chairman and members of the House Veterans Affairs Committee, on behalf of the Blinded Veterans Association (BVA), thank you for this opportunity to present BVA's legislative priorities for 2006. We believe it is imperative that members of this Committee work in a bipartisan manner during the second session of the 109th Congress. We all strive for the same goal, that of improving access to a high quality, fully integrated system of health care and benefits for America's blinded veterans.

The Blinded Veterans Association is the only congressionally chartered Veterans Service Organization exclusively dedicated to serving the needs of our Nation's blinded veterans and their families. Since the end of World War II, when a small group of blinded veterans formed BVA, our Association has grown to include blinded veterans from several wars and conflicts, and we will soon celebrate in March our 61st anniversary of continuous service to America's blinded veterans. It is vital that our issues and advice be included in this process so that we all can make a positive difference in the quality of life for the men and women who have sacrificed so much for our freedom.

BVA would like this Committee to know that the Walter Reed Army Medical Center staff alone has treated approximately 120 soldiers with either blindness or significant visual injuries. Twenty-seven of these soldiers have attended one of the ten VA Blind Centers, and others are in the process of being referred for admission. Seventy-eight service members, according to Veterans Benefits Administration (VBA) data, are service connected for total blindness in one eye from Operation Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF) injuries. When BVA representatives meet with these brave soldiers who have suffered catastrophic, life-altering injuries, the latter ask what services and benefits are going to be there to help them recover. It should be obvious to members of this Committee that a new generation of young blinded veterans is returning home from Afghanistan and Iraq, and that our combined efforts will be extraordinarily important. We must insure that we fully support them with the continuum of care and blind rehabilitative resources necessary during their transition from active duty to veteran status.

Mr. Chairman, we feel compelled to alert this Committee to what we believe to be a significant failure or flaw in the "Seamless Transition" for visually impaired or blinded service members. We learned that service members who have lost total vision in one eye are not always being referred to VA for low vision assessment or services. We believe many of these individuals most likely have some visual impairment in their remaining eye and should receive a comprehensive low vision assessment by VA to determine if they meet the definition of legal blindness. Such a determination would make a substantial difference in the benefits and services for which they would be eligible for through VA. Even if they do not meet the definition of legal blindness, they may very well be experiencing some functional loss with which VA rehabilitation services could be of assistance.

Throughout our 61 years of service, BVA has closely monitored VA's capacity to deliver high-quality rehabilitative services in a timely manner. Currently, approximately 41,700 blinded veterans are enrolled in VA. Demographic research projects that by the year 2010 there will be almost 55,000 veterans with blindness or significant low vision impairments enrolled. Census Bureau data, however, reveals that there are some 167,000 legally blind veterans in the United States. With an aging population this number will rise over the next decade.

## **CRITICAL ISSUES**

Mr. Chairman, two years ago BVA presented grave concerns about waiting lists of more than 2,500 blinded veterans awaiting entrance into one of 10 VA Blind Rehabilitation Centers (BRCs) across the country. Thanks to the previous Chairman of the Subcommittee on Health of the House Veterans Affairs Committee at that time, the General Accountability Office (GAO) investigated the VA blind rehabilitation program at every level. GAO then testified before this Committee on July 22, 2004 regarding the status of VA services for the blind.

BVA was grateful to the House Committee for holding that hearing to receive the report of GAO, but we are here to report that while some progress has been made in reducing the waiting lists and times for admission, there are still 1,212 blinded veterans waiting an average of almost 19 weeks to enter one of these ten BRCs. Since then, the VA Visual Impairment Advisory Board (VIAB) has continued to evaluate VA's progress in implementing the recommendations of GAO. At the request of the VHA National Leadership Board (NLB) Health Services Committee, VIAB commissioned a Gap Analysis to determine where VA currently has vision rehabilitation service and where there are gaps in service delivery. Additionally, cost estimates were requested to determine funding needed to close the gaps identified.

VIAB is an interdisciplinary board that includes health care providers, the Blinded Veterans Association, rehabilitation research, Prosthetics, and VA network representatives. Due to the increasing age of our veteran population and the known prevalence of age-related visual impairment, VIAB has identified the need for a uniform national standard of care. Along with the GAO report, VIAB also identified a need for increased outpatient blind rehab services. The Gap Analysis, mentioned above, revealed many areas of the country offer no outpatient vision rehabilitation services. There is a need to develop and implement a full continuum of vision rehabilitation care that augments the services already in place for legally blind veterans. The report envisioned the development of a full spectrum of visual impairment services.

To achieve such an objective, the GAO Testimony, the VIAB Report, and the VA Gap Analysis all strongly recommended the expansion of the Blind Rehabilitative Outpatient Service (BROS) program. As an example, Mr. Chairman, the BROS located nearest to us here, servicing both Baltimore and Washington, DC, has met with every newly blinded service member at Walter Reed Army Medical Center and the National Naval Medical Center in Bethesda, Maryland. This single BROS is from the Baltimore VA Medical Center, where approximately 512 blinded veterans are already enrolled and who need his services. The Washington DC VA Medical Center, with 541 blind veterans, has no BROS and has depended on the Baltimore

BROS. Only after almost three years of OIF/OEF causalities has a new part-time FTEE been established for both Walter Reed and for the Washington, DC VA Medical Center. It is time for all blinded veterans to receive the right service, at the right place, at the right time, without long delays because of tight budgets.

This early intervention is critical for both the soldier and family members in starting the process of learning about blind rehabilitation, which includes an introduction to early blind rehabilitation skills. The success of the process of adapting to traumatic blindness is dependent upon a seamless transition from Department of Defense Medical Treatment Facilities to VA Blind Centers. Despite some successes, BVA has found serious problems with three of the four VA Poly Trauma Centers of Excellence during the past year. There is no BROS on staff to facilitate the vital blind rehabilitation training that OIF soldiers should experience when they transfer to these centers. Only recently, after persistent questioning of the Veterans Health Administration (VHA), did they begin to advertise for a BROS FTEE. Worse, for some of the soldiers who attend a BRC and eventually return to their homes, the local VAMCs have no BROS to make home visits. These visits are crucial to the continuum of care for returning veterans. Such visits encourage the veterans to continue using the skills learned and to adapt to new changes in prosthetics and constantly evolving adaptive equipment.

More than a year ago VIAB presented a proposal to the Health System Committee of the National Leadership Board (NLB). The proposal directed all Veteran Integrated Service Networks (VISNs) to implement a full continuum of care for visually impaired and blind veterans. The Committee received the proposal very positively and has recently issued a report in November 2005 on the *Financial Projections for the Expansion of Low Vision Services in the VA's Continuum of Care* from the gap analysis. We are very pleased that as recently as Jan. 17,2006, the Health Services Committee unanimously endorsed the full recommendations of VIAB, including the Gap Analysis and cost estimates. The recommendation for the full continuum of vision rehabilitation services has now been referred to the Finance Committee of the NLB to attempt to identify funding to implement the proposal. BVA supports the broad scope of this proposal and, as outlined further in this document, we request your oversight assistance in insuring that action is taken on these recommendations. Mr. Chairman, BVA believes the only way these recommendations can be implemented is for additional funding to be included in the VA FY 2007 Appropriation directed for this initiative. We respectfully request additional funding be included in the "Views & Estimates" you will be submitting to the Committee on the Budget. VIAB does not dictate to the VISNs how this continuum of care should be implemented. BVA would point to successful VA models of unique programs across the country, such as the 60 percent increased utilization of contracting out Computer Assisted Training (CAT) for visually impaired veterans. Although these programs have contributed to the decrease in the veteran BRC waiting lists, there still needs to be further improvements. Additionally, the provision of a full continuum of Vision Rehabilitation Services is now included in the Network Five-Year Strategic Plans.

The independent Capital Asset Realignment for Enhanced Services (CARES) Commission recommended the establishment of new BRCs in VISN 16 and VISN 22. These centers have not yet opened. In 2005, another VAMC hosting a BRC was targeted for closure. A final decision regarding the VA medical center in Waco, Texas, is under review by an outside

contractor. In light of the Hurricane Katrina devastation to the Biloxi, Mississippi VA Medical Center, where one of the new BRCs was to be constructed as recommended by the CARES report, BVA would suggest that it would be more prudent and cost effective to expand the BRC currently located in Waco. This facility would then handle the projected increased vision rehab workload in VISN 16. Of course, it would be necessary to keep the Waco VAMC open, which would run contrary to the recommendation of the CARES report. Another recommendation set forth by the Commission states: "VA should develop new opportunities to provide blind rehabilitation in outpatient settings close to veterans' homes." GAO made a similarly strong recommendation in its testimony, indicating that when VA and GAO reviewed the waiting list of 1,500 veterans pending admission to BRCs, 21 percent of them could potentially be served if local BROS were available. We had hoped that this recommendation from the GAO testimony would be a significant first step towards closing the identified service delivery gaps leading to implementation of a full continuum of services for all visually impaired veterans. Mr. Chairman, BVA is convinced that the passage of "The Blinded Veterans Continuum of Care Act of 2005" (H.R. 3579) would increase VA's ability to staff BROS personnel in many facilities where none currently exist. We are extremely grateful to Mr. Michaud for introducing this vital legislation. Clearly, H.R. 3579 provides for a cost-effective model of service delivery. We would hope that the Committee act soon on this bill.

BVA strongly supports the concept of assured funding for veterans. Our support was strengthened after the admission last June that VA was insufficiently funded by more than \$1.2 billion in FY 2005 and \$1.9 billion in FY 2006 because of the current funding model process. This admission and revelation were not surprising to the VSO's. They did, however, appear surprising to those in Congress who have been content with the current discretionary process. The Independent Budget (IB) has, for many years made accurate funding projections for the amount really needed for VA health care. IB members had projected the shortfall long before last March. As always when such shortfalls occur, veterans waiting times grew, veterans appointment lists expanded, and the bureaucracy pointed fingers at who was to blame. The reality is that discretionary funding leaves more room for partisan politics than it does for health care for veterans. As a member of the Partnership for Veterans Health Care Budget Reform, our membership strongly believes that members of Congress must change the current modeling system that constantly leads to shortfalls. The Partnership supports moving VA health care from a discretionary to an assured funding method with a new model to prevent the shortages that occurred during the first session of this Congress. Assured funding would neither change the current eligibility requirements nor create a new entitlement benefit program. It would rather create a formula that would ensure necessary appropriations each year based on current enrollment, and the annual increased inflationary costs associated with the provision of excellent medical care.

It is a well-known fact that many of the reservists went on active duty with no private health care insurance. Upon returning home, they are looking to VA to give them the health care benefits they deserve for any conditions or injuries that may have resulted for two years following each deployment. The lack of predictability and accountability of the modeling used for the VA budget process allows only the status quo at best. The consequences can only be long waiting lists, decreased access, and risk of damage to the high quality of care that VA has built. If VISNs are receiving their budgets at the start of the second quarter through a fiscal year, and

are not sure when the year's funding will really be passed by Congress, why would they invest in any type of new initiative, never knowing when the money will catch up, or if any will be there during that budget year? Assured funding and implementation of a full continuum of care for blind and visually impaired veterans are inextricably linked.

## **BACKGROUND**

We are all painfully aware of the aging veteran population and the increasing need and demand for health care services associated with aging. Mr. Chairman, aging is the single best predictor for blindness or severe visual impairment. As the overall population of veterans ages, more and more of them are losing their vision, requiring rehabilitative services. Because of all the other chronic medical problems associated with aging, more and more members of our blinded veteran population are either unable or unwilling to leave home to attend a comprehensive residential BRC. The primary obstacle is the fact that enrolling in the BRC often necessitates traveling hundreds of miles to the nearest facility. The Gap Analysis survey found that 47.4 percent of the older veterans on VIST rolls who would benefit from blind rehabilitation training actually declined to attend one of the ten blind centers. Their decision, in most cases, left them with no alternative services such as a local BROS. A common reason for a refusal to attend a BRC is a serious health problem or disability of a spouse. Consequently, the blinded veteran who has often been a long-term recipient of care himself/herself, becomes, out of urgency and necessity, the primary caregiver. In such instances it is impossible for the blinded veteran to spend several weeks in a residential blind rehabilitation program.

It seems obvious to BVA that VA Blind Rehabilitation Service (BRS) needs to develop an aggressive strategic plan to address the needs of older veterans who are unable to attend the BRC program. Unfortunately, until this fiscal year, the current reimbursement model for resource allocation served as a definite disincentive for providing services locally. With respect to the allocation model, if the local VAMC has referred a veteran to the BRC, the local VAMC has not had to pay for any services delivered or the prosthetics prescribed. If the VAMC provided service locally, however, it had to internally fund the blind services, taking funds from other internal medical center programs. VA has approved a change in the Veterans Equitable Resource Allocation (VERA) model that now provides incentives for local VAMCs to provide care in the most appropriate setting. The new model, "VERA 10", now allocates increased levels of funding for vision rehabilitation service, thus removing the disincentives to the local facilities.

Mr. Chairman, there is absolutely no question that comprehensive residential BRCs provide the most ideal environment to maximize a blinded veteran's opportunity to develop a healthy and wholesome attitude about his/her blindness and acquire the essential adaptive skills to overcome the many social and physical challenges of blindness. This is especially true for newly blinded young veterans such as those now returning from Iraq and Afghanistan. The BRC becomes even more important for many of these blinded service members because they suffer from multiple traumas that include traumatic brain injury, amputations, and sensory loss. The training can also be advantageous to older veterans since intense repetitive training is often necessary to learn new skills. The BRC can bring the entire array of specialty care to bear on

these severely wounded service members, optimizing their rehabilitation outcomes and encouraging a successful reintegration with their families and communities. Frankly, Mr. Chairman, there is no better environment to facilitate the emotional adjustment to the severe trauma associated with loss of vision and to provide comprehensive initial blind rehabilitation.

## **CURRENT SERVICES**

Mr. Chairman, I will now briefly describe each of the essential components offered by VA Blind Rehabilitation Service and the challenges each is facing. We believe strongly that each of these services is an integral part of the full continuum of blind rehabilitation services that VA should strive to provide.

### **A. Blind Rehabilitation Centers**

VA currently operates ten comprehensive residential Blind Rehabilitation Centers across the country. The first blind center was established at the VA Hospital at Hines, Illinois, in 1948. Nine additional BRCs have been established and strategically placed within the VA system. The sites include VAMCs in Palo Alto, California (1967); West Haven, Connecticut (1969); American Lake, Washington (1971); Waco, Texas (1974); Birmingham, Alabama (1982); San Juan, Puerto Rico (1990); Tucson, Arizona (1994); Augusta, Georgia (1996); and West Palm Beach, Florida (2000). The mission of each BRC is to address the expressed needs of blinded veterans so they may successfully reintegrate back into a community and family environment. To accomplish this mission, BRCs offer a comprehensive and individualized training program accompanied by services deemed necessary for a person to achieve a realistic level of independence. The environment is residential but located within a VA facility in order to provide medical services to blinded veterans while they participate in the rehabilitation process.

More than 1,200 blinded veterans are waiting an average of more than 19 weeks to be admitted into one of these ten BRCs. The good news this year, however, is that the number has declined from the 1,500 in March 2004. Unfortunately, a majority of even the simplest services are not yet routinely made available at the local level. The recent Gap Analysis found that only 14 medical centers reported being able to provide advanced low vision care. Only 26 said they could provide intermediate low vision care. Some 78 facilities reported only basic or no outpatient services for blindness or low vision care! For the more than 30 percent of the blinded veterans who do attend a comprehensive BRC, there is usually no continuum of outpatient care when they return home. In order to preserve the integrity of these BRCs, more outpatient and local services must be provided.

### **B. Visual Impairment Services Team (VIST)**

The mission of each VIST program is to provide blinded veterans with the highest quality of adjustment to vision loss services and blind rehabilitation training. To accomplish this mission, VIST will establish mechanisms to maximize the identification of blinded veterans and to offer a review of benefits and services for which they are eligible.

The VIST concept was created in order to coordinate the delivery of comprehensive medical and rehabilitative services for a blinded veteran. The "teams" were created in 1967. In 1978, VA established six full-time VIST Coordinator positions. Currently, the VA system employs 93 full-time VIST Coordinators who usually work alone to take care of an average of 375 veterans. The VIST Coordinators serve as the case managers for the known 41,700 blinded veterans nationwide, a number that is estimated to increase to 54,000 within ten years. nded veterans within ten years.

VIST personnel associated with a given VIST Coordinator are in the unique position of providing comprehensive case management services for the returning blinded OEF and OIF service members for the remainder of their lives. They can assist not only the newly blinded veteran but also his/her family with timely and important information that facilitates psychosocial adjustment. The ideal of a seamless transition from DOD to VHA is best achieved through the dedication of VIST and BROS personnel.

A few of the VIST Coordinators have been very aggressive in identifying local resources capable of delivering needed services to blinded veterans in their homes. Regrettably, only a few are managing such dynamic VIST programs. The majority of the Coordinators rely on the BRC because many have no local BROS orientation or mobility services. If the veteran is unable to attend a BRC program, he/she goes without service in those circumstances. We find also that many rural remote regions have no local private blind services of any kind, leaving the veteran with no options. Full implementation of the continuum of vision rehabilitation services should remedy this shortcoming. Given the increasing numbers of severely visually impaired and blinded veterans, BVA believes and has always maintained that any VA facility that has 150 or more blinded veterans on its rolls should have a full-time VIST Coordinator. BVA has found that the lack of VIST services is often due to the actions of local facility managers who seek to avoid the cost of even one FTEE position. In such cases management has insisted that part-time positions manage these duties along with other collateral duties.

### **C. Blind Rehabilitation Outpatient Specialist (BROS)**

The other highly specialized outpatient program offered by BRS is the BROS program. This relatively new (at least for BRS) approach to the delivery of services is provided to blinded veterans who cannot attend a BRC program. Veterans who attended a BRC and who would otherwise lack continuum of care follow-up are also beneficiaries of the program. Such veterans in the latter case often require some additional training due to changes in adaptive equipment or technology advances. Ten years ago, VA BRS did not possess the workforce to carry out effective follow-up to assess how effectively the veteran had transferred the newly learned skills to his/her home environment. Thanks to Congressional earmarking of \$5 million for BRS in the FY 1995 VA appropriation, BRS was able to establish 14 new BROS positions in 14 different facilities throughout the system. Although this was a relatively small number of professionals, the creation of these initial BROS positions provided VA with an excellent opportunity to provide accessible, cost effective, quality outpatient blind rehabilitation services. The number of BROS has increased to 24 since the original appropriation.

The BROS is a highly qualified professional who, ideally, is dually certified; that is, he/she has a dual masters degree both in Orientation and Mobility (living skills and manual skills) and Rehabilitation Teaching. In the absence of such dually credentialed professionals, masters level blind rehabilitation specialists should be selected for these positions and receive extensive cross training at one of the BRCs. Such training prepares these individuals to provide the full range of mobility, living, and adaptive manual skills that are essential in the veteran's home environment.

The delivery of such outpatient rehabilitative service is the most cost efficient method for those veterans who have rehabilitation needs but are unable to attend the residential program to receive care. Surveys in the Gap Analysis found that some medical centers were paying \$90 per hour (\$450 daily) for private blind training when it was available. Some centers had an average annual expenditure of more than \$70,000 for contracted private blind services. Many low vision veterans are at risk of falls or making medication mistakes, resulting in costly hospital admissions, loss of independence, and an inability to live at home. In some cases, these individuals end up in nursing homes at an annual federal cost of more than \$45,000 for each bed. Veterans must not be denied essential rehabilitative outpatient services simply to save a few dollars up front.

The rapidly growing older blinded veteran population, as mentioned previously, is clearly the therapeutic target for this type of service delivery. The highly skilled BROS professionals conduct comprehensive assessments of the newly identified blinded veteran's needs to determine if referral to a residential BRC is necessary. If residential training is the appropriate response, the BROS may also provide some initial training before admission, potentially reducing the length of stay in the BRC.

VA BRS has collected functional outcome data, through the outcomes project, regarding the success of this new program. Veterans' satisfaction ratings have been extremely high. The BROS program provides an excellent opportunity to test, refine, and validate the effectiveness of outpatient service delivery. It certainly assists in determining which veterans can receive maximum benefit from this rehabilitation model.

Mr. Chairman, the Veterans Benefits Administration (VBA) has worked extensively with members of this Committee and staff in explaining the importance of co-sponsoring and supporting this cost-effective legislation introduced by Congressman Michaud. We appreciate his introduction of "The Blinded Veterans Continuum of Care Act of 2005" (H.R. 3579), which would greatly expand the ability of VA to employ more BROS. Since it is more efficient to provide as much care as possible in an outpatient setting, we again refer to GAO testimony. Within the document is a statement that 21 percent of all veterans on waiting lists for admission to a BRC could receive care through local blind outpatient services. Under CARES, each admission to a BRC costs \$28,900 per veteran. If even 240 veterans a year were instead provided local VIST/BROS services, the internal BRC inpatient cost saving would be an estimated \$7,900,000 yearly. When also considering the alternative high costs for blinded veterans with no options other than costly long-term care and who cannot live independently, we wonder why this bill does not have far greater support. We strongly urge this session to approve and fund the additional BROS positions included in H.R. 3579.

In late December, S. 1182 was passed. It included the provision of 35 new BROS positions for VA Medical Centers over the next three years and of the funding to support these positions. We believe that the House should move H.R. 3579 forward as soon as possible.

#### **D. Computer Access Training (CAT)**

Because of the FY 1995 VA appropriation of special funds earmarked for VA BRS, monies were made available to establish Computer Access Training (CAT) programs at the five major blind rehabilitation centers. Over the intervening years, CAT programs have been established at the remaining five BRCs. However, the demand for admission to these programs has dramatically increased to the point that an eligible blinded veteran has been waiting a year or more to be admitted. There are approximately 396 blinded veterans presently waiting for more than 21 weeks to attend a blind center for both rehabilitative and CAT "dual" training. The problem is that many veterans live in rural and remote regions where local services are not available. They must attend a blind center or be left without training.

Having to admit a blinded veteran to an inpatient VA BRC for this specialized computer training, which includes housing the blinded veteran in a hospital bed, is unnecessarily expensive. The good news is that, despite all of the obstacles, local training has increased. On May 5, 2004, 674 veterans were waiting for admission to a BRC for CAT training. This list was reduced by local CAT contracted services for 520 of these veterans by August 1, 2004. This successful result is due in large part to the GAO study of VA BRS service delivery and its subsequent recommendations. It involves the referring of most blinded veterans to local resources, if they can be appropriately located, for CAT training. The reduction in the BRC waiting lists from more than 2,500 veterans in 2003 to 1,212 at present involves a more effective utilization of CAT resources. Some BRCs have been, correspondingly, returning beds previously dedicated to CAT training back to the basic adjustment program. Continuing to contract services in a similar manner, greater progress could be achieved in decreasing the long waiting times for younger veterans who require the full services of the blind centers.

#### **E. Visual Impairment Services Outpatient Rehabilitation (VISOR)**

In 2000, VA Stars and Stripes Healthcare Network 4 initiated a revolutionary program to deliver services: Pre-admission home assessments complimented by post-completion home follow-up. An outpatient, nine-day rehabilitation program called Visual Impairment Services Outpatient Rehabilitation Program (VISOR) offers skills training, orientation and mobility, and low vision therapy. This new approach combines the features of a residential program with those of outpatient service delivery. A VIST Coordinator, with low vision credentials, manages the program. Staff consists of certified Orientation and Mobility Specialists, Rehabilitation Teachers and Low Vision Therapists.

VISOR is currently located at the VAMC in Lebanon, Pennsylvania, and treats patients in Network 4. This "service outside the box" delivery model is noteworthy. Patient satisfaction with

the program is nearly 100 percent, according to the VA Outcomes Project. Two current documents, *Gap Analysis: Vision Rehabilitation Services for Veterans Final Report* (Atlanta VA Rehabilitation R & D Center of Excellence for Veterans with Vision Loss), and *The Low Vision Services in the VA's Continuum of Care for Veterans with Visual Impairment* (VIAB Final Report), recommend that this delivery model should be considered for replication within each Network. The program uses hoptel beds to house veterans. The beds do not require 24-hour nursing coverage and are similar to staying in a hotel. Emergency care is available within the VAMC. The expenses associated with expanding this new cost-effective outpatient rehabilitation program from one facility to 11 facilities would be \$5,474,733 for the initial year. Annual recurring costs to maintain these 11 programs, however, would be \$4,700,883. This recurring cost works out to \$427,353 per VISOR facility for all staffing, equipment, office supplies, and training. VISOR's annually projected caseload of 550 veterans (50 per VISOR facility) would cost an estimated at \$8,545 per veteran, one-third of the \$28,900 for a month at one of the BRCs.

The VISOR program is providing functional outcome data to the Outcomes Project and will make possible the comparison of functional outcomes derived from this approach with that of the more traditional residential BRC. Early functional outcome data indicates that the approach is very effective. Profiles gathered from early data suggest that visually impaired elderly veterans, relatively free from the health burdens typically seen in veterans attending the traditional BRC and who have relatively high degrees of residual vision, benefit the most from this rehabilitation approach. VA should be supported in its national leadership role in the field of blind rehabilitation services and must continue to explore additional alternatives in addressing the needs of blinded veterans.

#### **F. Visual Impairment Center To Optimize Remaining Sight (VICTORS)**

Another important model of service delivery that does not fall under VA Blind Rehabilitation Service is the VICTORS program. The Visual Impairment Center To Optimize Remaining Sight (VICTORS) is an innovative program operated by VA Optometry Service. This is a special program designed to provide low vision services to veterans who, though not legally blind, suffer from severe visual impairments. Generally, veterans must have a visual acuity of 20 over 70 or less to be considered for this service. The program is typically a very short (five-day) inpatient experience in which the veteran undergoes a comprehensive low vision evaluation. Appropriate low vision devices are then prescribed, accompanied by necessary training with the devices. It should be noted that one of the VICTORS programs has converted to a two and one-half day outpatient program and utilizes hoptel beds for veterans who live too far away from the facility to commute daily.

VICTORS has achieved the same outcomes and objectives as its inpatient counterpart. Veterans who are in most need of these programs are those who may be employed, but, because of failing vision, feel they cannot continue. The program enables such individuals to maintain their employment and retain full independence in their lives. Unfortunately, Mr. Chairman, there are only three such programs currently within VHA. VIAB has recommended one VICTOR center in each Network where no VISOR program exists. This would result in 21 of these special programs. We submit that there is a critical need for these programs to assist veterans in their quest to remain in the workforce. In fact, the expansion of VICTORS could further assist

severely visually impaired (legally blind) or blinded veterans who have already attended a residential BRC, received low vision aids, and who now require only modifications. The effectiveness of new technology aids could be reviewed and researched. New prescriptions could be written when appropriate. Consequently, veterans would avoid the necessity of readmission to the much more expensive BRC for such reviews and evaluations.

### **EFFECTS OF VERA ON REHABILITATION**

BRCs are admittedly resource intensive and costly. Currently, these programs are being viewed as potential revenue sources under the Veterans Equitable Resource Allocation (VERA) model. As previously mentioned, BVA is pleased with the introduction of VERA 10 as recently modified. Instead of a blanket rate of \$42,000 for the higher reimbursement rate, BRCs will now be reimbursed in Group 7 at \$29,737. A great deal of gaming occurred because of the high variance between the high and basic reimbursement rates.

If these services are necessary, they should be provided in either a hoptel environment or, even more appropriately, in the blinded veterans' home areas. More focused outpatient programs using hoptel beds are not reimbursed at the higher rate. The incentive is to admit blinded veterans to the inpatient bed at the BRC. When BRCs institute shorter programs, veterans are shortchanged. Programs such as VISOR and VICTORS admit a population with typically high residual vision (usually macular degeneration) and few, if any, co-morbidities. BVA recommends that these services should be funded and provided in the local area. Our concerns are especially relevant now that DOD Military Training Facilities are referring more young service personnel who have been blinded totally and who need the comprehensive residential BRC program. The rehabilitative needs of this new population cannot be serviced in so-called "short programs". There is no question that much longer stays should and must be anticipated for these very special veterans. Shortcuts for reimbursement advantages cannot be tolerated.

The inability to track funds allocated to the Networks through VERA is another frustrating aspect of the funding issue. It is even more difficult, if not impossible, to track dollars allocated to the individual facility within the Network. Dollars allocated to the host facilities are not fenced or earmarked for blind rehabilitation. Consequently, facility directors and BRC managers cannot determine how much funding they have received to operate these special programs.

The decentralized resource allocation practice provides an apparent lump sum to each facility from which they have the discretion and responsibility to operate all the programs and services assigned to that facility. Mr. Chairman, there must be a more clearly defined method for tracking these resources to insure that the specialized programs for which the Network and facilities are receiving the high reimbursement rate are indeed being utilized for those purposes. Theoretically, VERA provides Networks with sufficient funds to operate the special disabilities programs. Unfortunately, BRCs are continually required to share in facility FTEE reductions or freezes because of funding shortfalls. Field managers strenuously resist demanding this degree of accountability. They complain that this will infringe upon their flexibility as managers to

establish priorities and carry out their assigned missions. Priority has been given to establishing greater capacity for outpatient services and new Community Based Outpatient Clinics (CBOCs) at the expense of tertiary care capacity.

## **OVERSIGHT**

Mr. Chairman, as previously mentioned, the last oversight hearing by the House Committee was held on July 22, 2004 to receive GAO's report on VA blind rehabilitation services. The comprehensive report examined the history and future issues surrounding such services to veterans. Consistent with BVA's concerns, GAO found that there were serious inconsistencies from BRC to BRC as to how waiting lists were managed and waiting times calculated. They found that several BRCs were not complying with program office directions and policies. Regarding the current delivery models, we can point to the GAO and VIAB recommendations that there must be greater utilization of outpatient services in new BROS and VISOR programs, along with supporting changes occurring in the CAT program.

BVA believes that significant progress has been achieved following the release of the GAO reports, but we are concerned that resistance remains among some management employees. Starting with VHA, the National Leadership Board, and the Medical Center Director level, a clear goal should exist to provide high quality, cost-effective blind rehabilitation services in the continuum to which we have continually referred. We have pointed out in the past that a culture change must occur if BRS is to modernize in delivering cost-effective, appropriate outpatient blind rehabilitation services. Therefore, Mr. Chairman, we believe it is essential for this Committee to investigate issues presented today, and to hold a follow-up Health Subcommittee hearing in the near future to assess VA's progress in implementing the GAO recommendations.

## **DEPARTMENT OF VETERANS AFFAIRS FY 2007 BUDGET REQUEST**

The Office of Management and Budget's FY 2005 and FY 2006 budget requests are prime examples of the urgent need for assured funding. The gaming must end, and old models that do not include the current thousands of returning OEF and OIF service members requiring care must be changed. BVA urges the members of these Committees to support a new model that would assure adequate funding. Further hearings could then be limited to the budgetary issues only.

As in years past, we are deeply concerned the FY 2006 budget request fell short by \$1.9 billion, and we once again predict inadequacy in the FY 2007 budget requirements to adequately address the health care needs of an aging veteran population. We all heard Under Secretary for Health Dr. Perlin when he testified last summer that VHA needed a \$1.9 billion increase for FY 2006, plus another \$1 billion just to maintain current services once all the increased co-payments and other gimmicks were subtracted. As in past years, VA is being forced to rely more heavily on first and third-party collections to substitute for appropriation. These collections always fall short of their estimates.

To project a subsequent year's budget, the current discretionary appropriations process subjects veterans health care to numerous political agendas rather than to 1) a real model calculated on the number of veterans currently enrolled this year, 2) an index for inflation, and 3) an average cost for each veteran using VA health care.

The FY 2006 Military Construction and Veterans Affairs Appropriations bill allows for \$1.2 billion in "emergency funds" to make up for shortfalls if they occur. BVA questions why, if the defenders of the status quo discretionary funding system are so sure of budget needs each year, is "emergency funding" even required? Why would implementation of a new model of assured funding be less attractive?

Clearly, there will be insufficient funds to enable VA to implement the full continuum of vision rehabilitation care as recommended by GAO and VIAB if the traditional discretionary modeling process continues. The fact is that because of the problems that occurred with the FY 2006 budget process, some medical centers are already freezing levels of staffing and are not hiring replacements. Therefore, it is highly unlikely that medical centers will be able to consider hiring new employees qualified to provide vision rehab services. Local travel and educational funding are also being slashed as a result of the FY 2006 budget.

Given the current budget climate, VA medical facilities will almost certainly restrict or eliminate the use of funding to contract for local fee services, again negatively affecting provision of a continuum of vision rehabilitation services. BVA is gravely concerned that funding for essential prosthetic services and equipment will be severely curtailed with this budget modeling process. Medical centers will, out of necessity and within the culture of cost efficiency, continue to confine operations rather than create new programs. This will affect not only blinded veterans but all disabled veterans. The President's FY 2007 budget request will again prevent Category 8 veterans from being able to utilize VA, keeping thousands away from the VA health care system. The most interesting thing about this approach is that veterans with the least health care burden—those working and with their own health insurance who bring their own medical care dollars into the system—are the ones who will be denied access. Focusing solely on the so-called "core veterans" will certainly compromise VHA's ability to provide the full scope of preventive and acute care services. Those in the so-called "core group" benefit tremendously from the specialized services provided by VA, but they also need the full array of basic healthcare services. While members of Congress decry the budgetary shortages last summer, the House and Senate have repeatedly failed to provide a new model of assured adequate appropriations to sufficiently fund the VA health care system. Responsibility for the constant under funding of VA health care through the discretionary process rests with both past and present presidential administrations and the Congress.

Mr. Chairman, service in the Armed Forces of the United States must count for something more than a few laudatory speeches each year. Care for America's veterans must be one of our country's highest priorities. Clearly, the President wants to care for the heroes returning from Afghanistan and Iraq, but it must not be accomplished at the expense of those who have served in previous wars and conflicts. Similarly, we cannot forget about those who served honorably but did not have to be deployed into harm's Way, or who did not suffer

traumatic emotional or physical disabilities as a direct result of their service. No matter what their circumstance, many have served our Nation and now need help. National policy must recognize that care of our veterans is an integral component of national defense.

BVA is also deeply disturbed by the proposed change in eligibility criteria for long-term care. The change would result in the elimination of substantial numbers of nursing home beds within VA and, even more importantly, substantially reduce the per diem payments currently made by VA to state veterans homes. The state veterans homes have been extraordinarily successful. They have been important partners in VA's ability to provide long-term care. This change may very well cause veterans currently in state veterans homes to be discharged. It is highly unlikely that the states can make up for the loss of the VA payments. Paradoxically, if funding remains the only driving force behind care, then funding issues will drive the culture of VA long-term care. Creation of the innovative programs that utilize technology and human resources will be de-emphasized.

What is most alarming Mr. Chairman, is that the current budgetary situation, as I have described it in terms of the blinded veterans, uses so-called "efficiencies," which are "saving games" that profoundly affect veterans' ability to lead independent lives on a daily basis. The continuously negative budgets will influence the specialized programs for blinded veterans and will be reflected in other special disabilities programs that must fight for every single dollar. If VHA is not fiscally healthy, the specialized programs for the "core veterans" will not be healthy either.

### **VETERANS BENEFITS ADMINISTRATION**

VBA is also facing major problems. After a few years in which the number of claims pending decreased, there has been a reversal. Some 400,000 are now in a logjam. VBA is painfully aware of the chronic backlogs for claims pending before VBA and the Board of Veterans Appeals, and the years of promises that the system is going to be fixed. Once again, this budget fails to provide the necessary resources to adequately assist VBA in its efforts to reduce these unconscionable backlogs. Veterans are literally waiting two or three years for claims to be adjudicated or appeals to be resolved. Shortages of qualified adjudication officials and rating specialists have resulted in inaccurate decisions leading to more appeals. Clearly, if claims were properly developed at the local VA Regional Office (VARO), the number of appeals would drop dramatically. Unfortunately, the VAROs are not doing a good job of assisting veterans in developing their claims.

It is disconcerting that some blame the veterans and the VSO service officers for filing too many claims. Recent articles have revealed that a large percentage of phone calls from veterans to VA requesting information on benefits are answered incorrectly more than 25 percent of the time. The government should not depend on the VSOs to do their job of instructing veterans properly on the benefits they have earned. More resources are sorely needed to improve staffing and provide new computer systems that integrate service members' medical records into both the VBA and VHA information technology processing system.

BVA members have been alarmed over many statements made over the past year that suggest or make accusations that veterans who are disabled are receiving too much compensation and therefore don't want to work. Public remarks "that it is very easy" in the current employment market to be employed imply that the disabled veteran must be lazy or uninterested in finding work! Recent multiple research studies have indicated that the labor force and employment trends for the disabled population have not been consistent with the trends of the nondisabled workforce population. The labor force rate of participation increased for the nondisabled population from 1970 to 2000 while it decreased for the disabled population.

The employment rate of the disabled did in fact decrease from 26 percent in 1996 to 19.5 percent in 2003. In addition, labor market earnings research during the past two decades has consistently found that the disabled earn less than non-disabled workers with many working at minimum wage jobs that offer few benefits. Literature reviews reveal that disabled persons suffer lost earnings capacity and that such loss of capacity is affected even further by such factors as age, education, and socioeconomic characteristics. The National Institute on Disability and Rehabilitation Research found that for people with no disability, the likelihood of having a job or business is 82.1 percent. For people with a mild disability, the employment rate is 76.9 percent. For those using a cane, crutches, or a walker, the rate is 27.5 percent while those relying on a wheelchair for mobility were able to find employment in 22 percent of the cases. For individuals with visual impairments (unable to read letters), the employment rate is only 30.8 percent. Instead of trying to develop plans to prevent disabled veterans from receiving compensation benefits, we recommend that the members of this Committee first look at what can be done to improve vocational, rehabilitative, and educational programs or benefits for those needing assistance in finding employment. The incorrect assumption is that simply because the United States has gone from an agricultural or industrial-centered economy to one highlighted by telecommunications, high technology, and automation, the employment field is now level for every disabled person. A recent 55-page report from the Office of Personnel Management also revealed that the number of veterans employed in the federal government in 1994 (558,347 or 28 percent of the federal workforce), decreased over the subsequent ten years (453,793 or 25.1 percent) in 2004. If the aforementioned assumptions and assertions statements were even remotely true, the employment rates for the disabled would not have decreased since 1994.

The sudden rush to judgment that many veterans with PTSD must be faking or committing fraud was evidenced during the past year when demands were made that 75,000-plus claims be reviewed. The demand came about as a result of a small sample of errors found in reviewing a limited number of files. Following a more thorough review, many of the errors were discovered to be misplaced documentation and not widespread deception or fraud. BVA members also believe that disability benefits should cover loss of earnings and include compensation for quality of life. Because of the injuries they have sustained, veterans who have suffered catastrophically and have lost mobility, an ability to perform routine daily tasks, and opportunities for social interaction should receive benefits that include compensation for the change in their quality of life.

## **INDEPENDENT BUDGET**

BVA is very proud to again endorse the Independent Budget, prepared by four of the major VSOs: AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars. This is the 21st consecutive year that BVA has endorsed the IB. Along with many other endorsers, we participated in the preparatory sessions and provided input to the formulation of this extremely important document. We trust that this Committee will read the document carefully. It contains many important and constructive suggestions regarding VA health care delivery. The IB outlines a clear blueprint for addressing VA medical care delivery, including policy decisions and funding. BVA believes that these suggestions are very sound and that they should receive serious consideration as the budget process moves forward.

The FY 2007 budget must keep pace with the increased medical costs in salaries, benefits, goods, and services utilized. The recently passed FY 2006 appropriations included \$3.3 billion for operating and maintaining VA medical facilities, \$464 million less than the 2005 level. While the medical and prosthetics research budget for FY 2006 did include \$412 million, a \$10 million increase over 2005, BVA is concerned that the FY 2007 budget will not keep pace with the urgent needs for expansion in this area. Additionally, the recommended funding level must also enable VA to more adequately fund congressionally mandated initiatives. It is vital to VHA's mission to have the research funding necessary for continued medical advances. These funds are critical to VHA's ability to attract and retain clinicians who are seeking the opportunity to conduct research in prosthetics.

## **PROSTHETIC SERVICE**

As reported last year, BVA is very pleased with the outcome of the Prosthetic Clinical Management Program (PCMP) as it affects visually impaired and blinded veterans. The stated focus of the PCMP is the quality of prescriptions rather than only the dollars expended for the prescriptions.

The driving activity behind PCMP is the establishment of work groups composed of clinicians to review the prescription practices associated with an individual prosthetic device. As a result of efforts by BVA, DAV, and PVA, consumers were allowed to be members of the work groups. Were it not for the fact that BVA had an opportunity to actively participate in the work groups related to aids and appliances for the blind, visually impaired and blinded veterans would not have fared very well. The work groups have been tasked with developing specifications for the device in question and recommendations for issuance. The intent of the specification development is to facilitate the establishment of national contracts for a device if the majority of the devices are procured from one vendor.

BVA has some reservations regarding the potential for standardization that works on the premise that one size fits all. Severely disabled veterans need to be treated as individuals with unique needs who might not always benefit from a standard device. The opportunity must exist

for clinicians to prescribe items not on national contract, even if they are more expensive, without fear of reprisal from local or Network management.

The effort to standardize the purchasing practices of VHA with respect to prosthetic services has been successful in large part to centralized funding for prosthetics. The combination of centralized funding and improved prescription practices has clearly enhanced disabled veterans access to high quality state-of-the-art Prosthetic Sensory Aids and Appliances.

BVA is concerned, however, over the recent organizational realignment of Prosthetic & Sensory Aid service (PSAS) from Patient Care Services (PCS) to a new Office of PSAS & Clinical Logistics. The former Chief Consultant for PSAS is the new Chief Officer of the Office of PSAS & Clinical Logistics. We are especially concerned that PSAS will not receive the same level of attention that resulted in the improvements noted above. Unfortunately, this realignment has occurred at a time when PSAS has lost its two most senior and experienced managers to retirement.

Mr. Chairman, we do wish to commend PSAS for their outstanding efforts overall to insure a seamless transition for service members transitioning from DOD to VA.

### **VA MEDICAL AND PROSTHETICS RESEARCH**

BVA supports the Friends of VA Medical Care and Health Research (FOVA) request for \$460 million for FY 2007 for investments in veteran-centered research projects at VA. Such projects in the past have led to an explosion of knowledge that has advanced the understanding of many diseases and unlocked strategies for prevention, treatment, and cures. Additional funding is needed to take advantage of the burgeoning opportunities to improve quality of life for our veterans and the Nation as a whole. VA must concurrently address the needs of its longstanding patient base as well as the evolving challenges being presented by our newest veterans. With these funds, it is expected that VA would pursue the following in fiscal year 2007: prosthetics, PTSD, depression, neuromuscular diseases, and other specialized research. This funding level would also allow for an increase in funding for Rehabilitation Research & Development so desperately needed during this period of war. It would also allow the continuation of several RR&D initiatives in the area of retinal implants and/or prostheses.

BVA feels strongly that legislation should be initiated that would require the National Institutes of Health (NIH) to pay VA for the indirect cost of NIH-funded research grants. Currently, NIH pays for the indirect cost to almost everyone receiving NIH grants except for VA. Consequently, VA must utilize medical care dollars to cover the indirect costs. These are funds that could be used to provide medical care to veterans. We believe that this policy is grossly unfair to sick and disabled veterans in need of medical care and to a health care system already forced to operate with constrained funding. NIH has refused every effort by VA to seek payment for these indirect costs. We therefore believe that legislative action is required.

## **OTHER LEGISLATIVE PRIORITIES**

BVA believes these issues are vital to the survival of VA and to services and benefits for blinded veterans. Some of these issues are unique to veterans and others are applicable to all blind Americans.

- A. BVA strongly encourages passage of H.R.515, The Assured Funding for Veteran's Health Care Act of 2005, which will institute mandatory funding for VA health care.**
- B. Authorizing VA to retain third-party collection should be viewed as a supplement to, and not as a substitute, for federal funding. Veterans and their insurance companies should not be required to pay for veterans health care as this is clearly a moral obligation and a responsibility of the federal government.**
- C. BVA, along with the veterans and military organizations, supports legislation stopping the offset between the Survivor Benefit Plan (SBP) and Dependency and Indemnity Compensation (DIC). SBP is purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it. It is also noteworthy as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans, and who die of military service-connected causes, can receive DIC without losing any of their purchased federal civilian SBP benefits.**
- D. BVA requests that this Committee hold a hearing on "The Disabled Veterans Equity Act" (H.R. 2963), which currently has 68 bipartisan co-sponsors. In 2002, Congress passed and the President signed P.L. 107-330. The law included a provision (Section 103) to correct a similar deficiency in the "Paired Organ" law. Currently, a veteran, who is service connected for loss of vision in one eye due to injury or illness incurred on active duty is denied additional disability compensation if they become legally blind in the remaining eye. Because the Paired Organ section on vision did not address the legally accepted definition of blindness, (visual acuity 20/200, or loss of field of vision to 20 degrees), some veterans are denied an increase in compensation if they become legally blinded in both eyes. This change in the law would only affect a small percentage of the 13,109 veterans who are service connected for loss of vision in one eye. We would argue that for the veteran with blindness in one eye who subsequently loses vision in his/her remaining eye, full paired organ benefits should not be denied. Research reveals that less than five percent of the current service-connected veterans for loss of vision in one eye would eventually lose vision in the remaining eye.**
- E. BVA strongly encourages Congress to adopt legislation that would provide full concurrent receipt for all military retirees who have suffered service-connected disabilities. The VSOs responsible for development of the Independent Budget have urged Congress to correct this serious inequity. Congress should enact legislation that repeals**

the inequitable requirement that veterans' military retired pay based on longevity be offset by an amount equal to their VA disability compensation.

- F.** BVA strongly supports the provision of a full Cost of Living Adjustment (COLA) for veterans receiving disability compensation and surviving spouses and dependent children receiving DIC. Further, we support this COLA being made effective December 1, 2006.
- G.** BVA encourages the U.S. Senate to adopt legislation introduced by Senator Specter. "The FAIR Act" (S. 852) establishes a national trust fund that would provide equitable compensation to Americans suffering from illnesses caused by exposure to asbestos. The national trust fund would replace the current tort system that is clearly broken and causes many disabled veterans to wait many years before ever receiving any compensation for suffering caused by asbestos exposure.
- H.** Medicare subvention is an issue critical to the future funding of VA health care programs. Considerable discussion of this issue has occurred over the years, with strong resistance coming particularly from the House Ways and Means Committee regarding a pilot Medicare subvention demonstration project for VA. We trust that legislative language can be crafted this year to move this legislation through the 109<sup>th</sup> Congress. Authorizing VA to bill Medicare for covered services provided to certain veterans seems to be a win-win situation. VA benefits from additional revenue to supplement core appropriations. The Medicare trust fund benefits at the same time since VA will be reimbursed at a discounted rate.
- I.** As evidenced by the vital emergency role that the VA played during the past hurricane season, VA should have the funding necessary to respond in the event of either a natural or terrorist attack. In addition, as the federal government seeks to strengthen homeland security, VA should receive an appropriate share of resources dedicated to this purpose. The importance of the VA's capacity to respond with medical and human resources in times of national emergency cannot be underestimated.
- J.** BVA urges members of the Congress to support passage of House Concurrent Resolution (H. Con. Res. 235), introduced by Ranking Member Evans and adopted by the House of Representatives last year (H. Con. Res. 56). The resolution failed last year because there was no follow-up on the Senate side. H. Con. Res. 235 states "that it is the sense of the Congress that each State should require any candidate for a driver's license candidates to demonstrate, as a condition of obtaining a driver's license, an ability to associate the use of the white cane and guide dog with visually impaired individuals and to exercise great caution when driving in proximity of a potentially visually impaired individual." We are grateful to Congressman Evans for introducing this important resolution again and urge members to co-sponsor this as method of improving pedestrian safety. We are pleased that companion Senate Resolution 71 was recently introduced in the Senate Transportation Committee.
- K.** As mentioned previously, aging is the single best predictor of blindness or severe visual impairment. Veterans are not the only ones who are growing old and losing their sight.

BVA encourages Congress to enact legislation to fund categorical programs for the professional preparation of education and rehabilitation personnel serving people who are severely visually impaired and blind. There is a shortage of trained professionals in the field of blindness. The shortage may very well be further aggravated as a result of the President's FY 2007 budget request. Contained within the request is a Department of Education, Rehabilitation Services Administration (RSA) initiative that would cut back on funding support for personnel preparations programs.

- L.** The Blinded Veterans Association has many members in Puerto Rico who served honorably in the U. S Armed Services. BVA therefore encourages Congress to adopt legislation that would define the political status options available to the U.S. citizens of Puerto Rico and authorize a plebiscite to provide the opportunity for Puerto Ricans to make an informed decision regarding the island's future.
- M.** Once again this year, BVA urges this Committee to introduce legislation that would amend the Beneficiary Travel Regulation in Title 38. We believe that the law needs to be changed to allow VA to pay travel for catastrophically disabled veterans who are accepted to one of the VA special disabilities programs and who are not currently eligible for travel benefits. These veterans are already required to pay the Social Security Administration co-payment as well as a daily per diem rate during the rehabilitation experience. Adding the burden of paying their own travel, usually air transportation, serves as a strong disincentive for these veterans to take advantage of the world class service offered by VA.
- N.** BVA absolutely opposes any legislative initiative that would change the current "Line of Duty" standard for determining "Service Connection" to "Performance of Duty."

## **CONCLUSION**

Once again, Mr. Chairman, thank you for this opportunity to present BVA's legislative priorities for 2006. BVA is extremely proud of our 61 years of continuous service to blinded veterans and all of the accomplishments we have enjoyed. The future strength of our Nation depends on the willingness of young men and women to serve in our military, and that depends in part on the willingness of our government to meet its obligation to them as veterans.

When BVA representatives meet the young service members from OEF and OIF at Military Treatment Facilities, one of the first questions asked is the following: "Is VA going to be able to provide me with the long-term rehabilitation that I will need to adjust to my blindness?" We would like to ask that question of the members in this room. Again, Mr. Chairman, thank you for this opportunity. I will gladly answer any questions you or other members of this Committee may have.

**LEGISLATIVE  
PRESENTATION**

**PARALYZED VETERANS OF AMERICA**

**DELATORRO L. MCNEAL  
EXECUTIVE DIRECTOR**

**BEFORE THE  
HOUSE COMMITTEE ON VETERANS' AFFAIRS**

**FEBRUARY 15, 2006**



801 Eighteenth Street, NW ★ Washington, DC 20006-3517

Mr. Chairman and members of the committee, Paralyzed Veterans of America (PVA) appreciates this opportunity to present our legislative priorities for 2006 and this session of the Congress.

PVA's budget recommendations are part of the joint policy statements contained in this year's *Independent Budget*. They are the combined recommendations of AMVETS, Disabled American Veterans, PVA and Veterans of Foreign Wars. This year, PVA and our fellow VSOs are proud to mark the 20<sup>th</sup> Anniversary of this joint effort presenting budget and policy direction to the Congress and the Administration for all benefits and services provided to the veterans of this nation.

#### **FY 2007 VA HEALTH CARE BUDGET**

With regards to Administration's budget request, PVA is pleased to see that for the first time, a reasonable starting point was offered by the President to fund the VA health care system. For FY 2007, the Administration has requested \$31.5 billion for veterans' health care, a \$2.8 billion increase over the FY 2006 appropriation. Although this is a significant step forward, we still have some concerns about proposals contained within the request, as I will later explain. *The Independent Budget* for FY 2007 recommends approximately \$32.4 billion for veterans' health care, an increase of \$3.7 billion over the FY 2006 appropriation and about \$900 million over the Administration's request.

We believe that the recommendations of *The Independent Budget* have been validated once again this year as the Administration indicated that it will actually take \$25.5 billion to fund Medical Services, an amount very close to what we recommend. However, they only request \$24.7 billion in appropriated dollars. The Administration hopes to raise an additional \$800 million by instituting the new enrollment fee and the increase in prescription drug co-payments to achieve the necessary funding level.

I would like to single out this particular budget and policy recommendation that continues to receive a great deal of attention, both in the veterans' community and in the Congress. As it has for the past three years, the Administration is insisting on more than doubling fees for prescription co-payments and instituting an annual \$250 enrollment fee for certain veterans in the lower eligibility categories.

I would like to take a moment to explain why PVA objects to the proposal. I would also like to explain why we believe this recommendation, if approved, will have a serious impact on many veterans with catastrophic disabilities whose only main health care resource is the VA health care system.

VA has cared for veterans with non service connected disabilities for a long time. This is not a new phenomenon authorized by eligibility reform in 1996. Veterans health facilities admitted nonservice-connected veterans in large numbers following World War I. The Congress and the VA admitted the nonservice-connected, not just the poor and indigent, in large numbers as the VA health care system grew in size and scope through the middle of the 20<sup>th</sup> Century and beyond. VA used the rationale that its facilities were

there to serve veterans who, because of non availability of comparable services, access, or cost, found VA a reasonable or unique resource for health care services they could not find elsewhere.

VA opened its doors to these veterans for many reasons, the main one being these men and women had served their country just as honorably as anyone else who had worn the uniform. They deserved no less.

Prior to 1986, all veterans, service-connected and non-service connected, over the age of 65 were eligible for VA health care. In 1986, Congress approved legislation which divided the veteran population into three eligibility categories. In 1996, Congress again revised that legislation with a system of seven priority ratings for enrollment. Within that context, PVA worked hard to ensure that those veterans with catastrophic disabilities, no matter if those disabilities were service-connected or nonservice-connected would have a higher enrollment category. If the three implied missions of the VA health care system were to provide for the service disabled, the indigent and those with special needs, the catastrophically disabled certainly fit in the latter priority ranking. The VA had an obligation to provide care for these veterans. The specialized services, such as spinal cord injury care, unique to VA, should be there to serve them.

To protect their enrollment status, veterans with catastrophic disabilities were allowed to enroll in Category Four even though their disabilities were nonservice-connected and regardless of their incomes. However, unlike other Category Four veterans, if they would otherwise have been in Category Seven or Eight, they would still be required to pay all fees and co-payments, just as others in those categories do now for every service they receive from VA.

PVA believes this is unjust. VA recognizes their unique specialized status on one hand by providing specialized service for them in accordance with its mission to provide for special needs. The system then makes them pay for those services.

These veterans are not casual users of VA health care services. Because of the nature of their disabilities they require a lot of care and a lifetime of services. Private insurers do not offer the kind of sustaining care for spinal cord injury found at VA even if the veteran is employed and has access to those services. Other federal or state health programs fall far short of VA. In most instances, VA is the only and the best resource for a veteran with a spinal cord injury and yet, these veterans, supposedly placed in a priority enrollment category, have to pay fees and co-payments for every service they receive as though they had no priority at all.

The Administration's new fees and new enrollment payments add even higher burdens to penalize these veterans for seeking the only source of the health care they need.

We strongly urge the committee to correct this financial penalty. If a veteran is a Category Four because of a catastrophic disability, then treat that veteran like all other Category Fours and exempt him and her from fees and co-payments.

Our health care recommendation does not include additional money to provide for the health care needs of Category 8 veterans being denied enrollment into the system. However, it is included in our bottom line for total discretionary dollars needed by the VA to provide health care to all eligible veterans. Despite our clear desire to have the VA health care system open to these veterans, Congress and the Administration have shown little desire to overturn this policy decision. The VA estimates that a total of over 1,000,000 Category 8 veterans will have been denied enrollment into the VA health care system by FY 2007. Assuming a utilization rate of 20 percent, we believe that it would take approximately \$684 million to meet the health care needs of these veterans, if the system were reopened. We believe that the system should be reopened to these veterans and this money appropriated on top of our medical care recommendation for this purpose.

Despite a reasonable request this year, the budget and appropriations process over the last number of years demonstrates conclusively how the VA labors under the uncertainty of how much money it is going to get and when it is going to get it. In order to address this problem, PVA, in accordance with the recommendation of *The Independent Budget*, proposes that funding for veterans' health care be removed from the discretionary budget process and be made mandatory.

#### **MEDICAL, PROSTHETIC, AND REHAB RESEARCH**

For Medical and Prosthetic Research, the Administration has recommended \$399 million, a cut of approximately \$13 million below the FY 2006 appropriation. *The Independent Budget* recommends \$460 million. Research is a vital part of veterans' health care, and an essential mission for our national health care system. VA research has been grossly underfunded in comparison to the growth rate of other federal research initiatives. We call on Congress to finally correct this oversight.

We also believe that additional funding needs to be provided for rehabilitation research. The development of new and better techniques allows catastrophically disabled veterans to become more active and independent in society. Furthermore, advanced rehabilitation can only lead to a happier and healthier life for these men and women.

One particular program that is currently taking place that we believe will be highly successful is the Spinal Cord Injury - Vocational Rehabilitation Program (SCI-VIP). This is a new five-year research project that will attempt to greatly improve the employment rate of veterans with spinal cord injury. It will be conducted at four spinal cord injury/dysfunction (SCI/D) centers – Dallas, Milwaukee, San Diego and Cleveland - with control groups at the Houston SCI center and at the Hines SCI center in Chicago. In short, the project will inject vocational rehabilitation counselors (VRC) directly into the medical rehab process to provide "hands-on" vocational assistance throughout rehabilitation. The VRCs will make employment a priority component of the rehabilitation process.

PVA has strongly supported this concept since it was first proposed by Dr. Lisa Ottomanelli at the Dallas SCI Center. We hope that the VA will see fit to expand this program to benefit spinal cord injured veterans across the country. We would also urge the Congress to make available additional funds within the research program to support this project.

#### **PHYSICIAN AND NURSE SHORTAGE**

PVA is concerned that the VA continues to experience a serious shortage of qualified, board certified spinal cord injury (SCI) physicians, making it difficult to fill the role of chief of the SCI/D service. Several major SCI/D programs are under "acting" management with resultant delays in policy development and a loss of continuity of care. In some VA hospitals the recruitment for a new chief of service has been inordinately prolonged with acting chiefs assigned for indefinite time periods.

We are even more concerned about the continuing shortage of nurses, particularly in the spinal cord injury units. PVA believes that the basic salary for nurses who provide bedside care to SCI veterans is too low to be competitive with community hospitals. This leads to high attrition rates as these nurses seek better pay in the community.

Recruitment and retention bonuses have been effective at several SCI centers, resulting in an improvement in the quality of care for veterans as well as the overall morale of the nursing staff. Unfortunately, these are localized efforts by the individual VA medical facilities. We believe that the Veterans Health Administration (VHA) should authorize substantial recruitment incentives and bonuses.

PVA calls on Congress to conduct more oversight of the VHA in meeting its nurse staffing requirements for SCI units as outlined in VHA Directive 2005-001. Currently nurse staffing numbers do not reflect an accurate picture of bedside nursing care provided because administrative nurses, non-bedside specialty nurses, and light-duty staff are counted as part of the total number of nurses providing bedside care. Furthermore, not all SCI centers are in full compliance with the regulation for the staffing ratio of professional nurses to other nursing personnel. With proper congressional oversight, these mistakes can be corrected.

#### **LONG-TERM CARE AND ASSISTED LIVING**

PVA is concerned with recent trends to reduce the ability of the VA to provide long-term care to a rapidly aging veterans population. We strongly oppose any proposal that would repeal the statute that requires the VA maintain bed and staffing levels at the same level established by the P.L. 106-117, the "Veterans Millennium Health Care and Benefits Act." Despite an aging veteran population and passage of P.L. 106-117, the VA has continuously failed to maintain its 1998 VA nursing home required average daily census (ADC) mandate of 13,391. VA's average daily census (ADC) for VA nursing homes has continued to decline since 1998 and is projected to decrease to a new low of

9,795 in FY 2006. The VA is ignoring the law by serving fewer and fewer veterans in its nursing home care program.

PVA is deeply troubled by efforts in Congress last year to eliminate the mandatory ADC requirement contained in the Millennium Health Care bill. This proposed change is not driven by current or future veteran nursing home care demand. In fact, the General Accounting Office (GAO) reported "the numbers of aging veterans is increasing rapidly, and those who are 85 years old and older, who have increased need for nursing home care, are expected to increase from approximately 870,000 to 1.3 million over the next decade."

PVA strongly feels that the repeal of the capacity mandate will adversely affect veterans and is a step toward allowing VA to reduce its current nursing home capacity. This is not the time for reducing VA nursing home capacity with increased veteran demand looming on the near horizon. We hope that this Committee will reject any such legislation. Furthermore, we urge the Committee to conduct aggressive oversight to ensure that the VA is fulfilling its statutory obligation to provide long-term care.

We believe that assisted living can be a viable alternative to nursing home care for many of America's aging veterans who require assistance with the activities of daily living (ADL) or the instrumental activities of daily living (IADL). Assisted living offers a combination of individualized services, which may include meals, personal assistance, and recreation provided in a home like setting. Congress should consider providing an assisted living benefit to veterans as an alternative to nursing home care. Likewise, Congress should authorize the VA to expand its Assisted Living Pilot Program (ALPP) to include an initiative in each VA Veterans Integrated Service Network (VISN). This expanded effort will allow VA to gather important regional program cost and quality information.

Congress should call upon VA to conduct a cost and quality comparison study that compares the ALPP experience to cost and quality information it has compiled for VA nursing home care, community contract nursing home care, and state veterans nursing home care. When completed, this long-term care program cost comparison study should be made available to Congress and veterans service organizations.

#### **MULTIPLE SCLEROSIS (MS) AND PARKINSONS CENTERS OF EXCELLENCE**

The VA appropriations subcommittees in the House and Senate inserted language in their VA funding reports for FY 2001 requiring VA to establish centers of excellence to conduct research and study in the field of neurodegenerative diseases. With that instruction, VA identified two fields of inquiry for the centers with particular bearing on medical conditions prevalent in the veteran population, Parkinsons Disease and Multiple Sclerosis. The VA, subsequently, on two different tracks, proceeded to establish the centers of excellence starting first with the Parkinsons Centers and later with the two MS Centers.

PVA has expressed concern that the centers, established only through VA good faith and resources available in any one budget cycle could eventually be in jeopardy. Therefore, last year an effort was launched to take what was only an authorization or recommendation for the centers and actually codify them. The House of Representatives approved H.R. 1220 which addressed the codification of the Parkinsons centers. Senator Daniel Akaka introduced S. 1537 which would codify both Parkinsons and MS Centers.

When both the House and Senate Appropriations Subcommittees directed VA to establish these centers they made no distinction between them. The report language in both Appropriations bills only directed VA to establish centers of excellence in neurodegenerative diseases to spur the Department along in research and treatment in this overall field of medicine. While studying uniquely different diseases, both Parkinsons and MS Centers serve together in the overall study of neuroscience. It would be inappropriate in our view to put the centers on separate tracks, codifying one and not the other.

We urge the committee to adopt legislation which can address and codify these centers in Title 38 U.S.C. once and for all.

#### **BENEFITS RECOMMENDATIONS**

PVA would like to offer a few improvements to benefits provided by the VA. PVA members are the number one beneficiary of the Special Adaptive Housing (SAH) grant and the adaptive automobile grant. Unfortunately, periodic increases in these grants have not kept pace with inflation. For both the SAH grant and the adaptive automobile grant, we believe that an automatic annual adjustment indexed to the rising cost-of-living should be applied. Furthermore, in accordance with the recommendation of *The Independent Budget*, the adaptive automobile grant should be increased to 80 percent of the average cost of a new vehicle to meet the original intent of Congress.

PVA would also like to recommend a change in the compensation provisions outlined in Title 38, Section 5111. Under current law, the effective date for a veteran's finding of service connection is the day after his or her date of military discharge. However, the effective date for his or her VA compensation payments is the first day of the month following the month when that service connection was granted. Because the veteran's compensation payment for a given month is not made until the end of the month, he or she could lose up to an entire months worth of pay under this current provision.

As an example, if SGT John Smith is medically retired on 01/31/06 from the Army for a C4 spinal cord injury from a sniper bullet, then his effective date for benefits is 02/01/06. However, his effective date for compensation payment is 03/01/06, and he would not receive his first payment until 03/31/06. Current law does not allow him to be compensated for the month of February in this case. We believe the law should be changed to make the veteran's effective date of service connection and effective date for compensation payment the same.

PVA appreciates the opportunity to present our legislative priorities and concerns for the second session of the 109<sup>th</sup> Congress. We look forward to working with the Committee to ensure that adequate resources are provided to the VA health care system so that eligible veterans can receive the care that they have earned and deserve. We also hope that this Committee will take the opportunity to make meaningful improvements to the benefits that veterans rely on.

Mr. Chairman, I would like to thank you again for the opportunity to testify. I would be happy to answer any questions that you might have.

**Information Required by Rule XI 2(g)(4) of the House of Representatives**

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

***Fiscal Year 2006***

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation  
— National Veterans Legal Services Program— \$252,000 (estimated).

***Fiscal Year 2005***

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation  
— National Veterans Legal Services Program— \$245,350.

Paralyzed Veterans of America Outdoor Recreation Heritage Fund – Department of Defense —\$1,000,000.

***Fiscal Year 2004***

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation  
— National Veterans Legal Services Program— \$228,000.

**Delatorro L. McNeal  
PVA Executive Director**

Delatorro L. McNeal assumed his duties as Executive Director of Paralyzed Veterans of America (PVA) on October 1, 2001. A Purple Heart recipient and combat-injured Vietnam veteran, he has been a PVA member since the 1970s.

Mr. McNeal previously served 10 years as executive director of PVA's Florida Gulf Coast Chapter. During that time he has played an active role in the national Field Advisory Committee, which accompanies PVA national staff on site visits to VA spinal cord injury centers, monitoring the quality of care provided to veterans. Previously, he worked for the Department of Veterans Affairs as a veteran's claims adjudicator and with PVA as a national service officer, providing direct support and assistance to veterans with disabilities, their families and their survivors in their claims for benefits they earned through their military service.

McNeal served in the Army's 101<sup>st</sup> Airborne Division from May 1969 to November 1970. He was honorably discharged after receiving gunshot and shrapnel wounds while on patrol in Vietnam resulting in a level T-5 and T-6 spinal cord injury.

In addition to his Purple Heart, McNeal has received several military medals and awards including: the National Defense Service Medal, the Vietnam Service Medal, the Republic of Vietnam Campaign Medal w/Device 1960, the Combat Infantryman Badge, Sharpshooter decoration (M-14 rifle), Marksman decoration (M-16 rifle) and the Air Medal.

McNeal holds a B.S. in social work and rehabilitation counseling from the University of South Florida in Tampa.



# NCOA®

Non Commissioned Officers Association of the United States of  
America  
P.O. Box 427, Alexandria, VA 22313 703-549-0311

STATEMENT

OF

GENE OVERSTREET  
12TH SERGEANT MAJOR OF THE UNITED STATES  
MARINE CORPS (Retired)  
PRESIDENT & CHIEF EXECUTIVE OFFICER

BEFORE THE

HOUSE COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

ON THE

NON COMMISSIONED OFFICERS ASSOCIATION  
VETERAN LEGISLATIVE AGENDA FOR 2006

February 15, 2006

NON COMMISSIONED OFFICERS ASSOCIATION  
OF THE UNITED STATES OF AMERICA

NCOA LEGISLATIVE AGENDA FOR 2006

EXECUTIVE SUMMARY

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- VA Budget FY 2006
- VA programs should be determined based on requirements and needs as opposed to being shaped by inadequate fiscal resources.
- FY 2007 VA Budget Authority
- Largest VHA Discretionary Budget
- Mandatory Funding for all Enrolled Veterans
- Oppose Increased Co Pays and Enrollment Fees
- Medicare Subvention
- Seamless Transition

Veterans Health Administration

- Transformation of VHA Remains Incomplete
- Mental health integration could have dramatic budget impact and better serve veterans
- Homeless Veterans
- Homeless grant and per Diem Program
- Priority for Homeless Veterans in CARES/BRAC Decisions
- Dental Care Funding

Veteran Benefits Administration

- Veteran Claim Processing
- Retention of DIC Benefits After Remarriage at Age 55

- Concurrent Receipt of DIC and SBP Payments
- Revised DIC Payment Policy
- MGIB
  - o Open Enrollment for VEAP-Era Non Participants
  - o Change MGIB Delimiting Date
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  - o Consolidate all MGIB Entitlement Programs

Request Committee Members be Advocates for Military/Veterans beyond Committees Responsibilities

- Concurrent Disability Retired Pay
- Combat Related Special Compensation - Inclusion of IU
- S.852 – Fairness in Asbestos Injury Resolution Act
- Codify Burial Rules at Arlington
- 100 Percent Disabled Veteran Space Available Travel

Chairman Buyer and members of the House Committee on Veterans Affairs, the Non Commissioned Officers Association of the USA (NCOA) is appreciative for the opportunity to formally present its 2006 Legislative Agenda to the House Committee on Veterans Affairs. NCOA recognizes the departure from the many years process of presentation of testimony before the Joint Committees to separate presentations this year to the House and Senate Veterans Committees.

I am Gene Overstreet, 12th Sergeant Major of the United States Marine Corps (Retired), President and Chief Executive Officer of the Non Commissioned Officers Association. I am joined today by

CMSgt Richard C. Schneider, USAF (Retired), NCOA Executive Director of Government Affairs; and Matthew H. Dailey, MSG, USA (Retired), Military Affairs Associate of the Association's National Capital Office.

#### Introduction:

NCOA is privileged to represent active duty enlisted service members of all military services, the United States Coast Guard, associated Guard and Reserve Forces as well as veterans of all components. We are in 2006 ever cognizant of the sacrifices associated with duty in the Uniformed Services of the United States of America during the Global War on Terrorism.

NCOA representation of enlisted members from all services and components makes it unique and enables it to provide a full and comprehensive perspective on active duty, veteran and survivor issues for the Administration and this Congress.

The Association provides for these members and their families through every stage of their military career from enlistment to eventual separation, retirement and on to their final military honors rendered on behalf of a grateful Nation. The Association defines well its membership service as "cradle, or enlistment, to grave" and than continues to provide services to the veterans surviving family members.

NCOA is guided in its legislative role by resolutions adopted annually by its worldwide membership. We take those resolutions very seriously recognizing vital responsibilities to be in the forefront of issues impacting the large numbers of active duty, Guard and Reserve members currently in harm's way deployed around the world in America's War against Terrorism. In military parlance, this noncommissioned officer leadership team is on point here on Capitol Hill to articulate entitlement issues, protecting benefits as necessary, extending value to those benefits that have failed to keep pace in a 21st Century America, and lastly, to achieve new entitlements to meet the needs of today's warriors and their family members. We believe the promises of a grateful Nation must be honored and held sacred for those who risk their very lives fulfilling their commitment to America.

The words of the Oath of Military Enlistment are simple but provide the very essence of service for every military man and woman by their ultimate declaration. These twelve words are the same for all who answer the Clarion Call to Duty:

“...to support and defend the Constitution of the United States of America.”

Please note that in the Enlistment oath there is no qualifying comment or words such as funds and resources permitting. There is the belief by those who serve that they will have the finest war fighting equipment, support services, health care, and all necessary institutional support while on active duty to include active and veteran health care support and should they fall in the line of duty the institutional support of a grateful Nation for their survivors.

A disadvantage of not being in the Cannon Caucus Room is the ability for you to look upon those active duty members and veterans of every national conflict who attend these hearings to support their organization's comments on veteran needs presented in their Legislative recommendations. I regret that active duty, Guard, and Reserve members who normally attend are not able to be with us because of space limitations. I am humbled at the opportunity to raise my voice on their behalf and like you, I am so very proud of each man and woman who has worn a service uniform of this great Nation.

Military members deployed or stationed around the world today leave on the home front their spouses and family members. These marvelous military families live with not only the heartbreak and frustration of separation but the reality that separation may be compounded by sacrifices of overbearing personal consequence. Daily the news media brings in real time the sights, sounds and horrors being experienced by military members to the living rooms of their spouses and children. Soldiers are vividly seen weeping over a dead or wounded comrade and are joined countless thousands of miles away by the emotion and tears of family and friends who share the wounding or loss of an American Patriot.

The Association makes note that Non Commissioned Officers Association is a member of The Military Coalition, a forum of nationally prominent uniformed services and veterans' organizations that shares collective views on veteran and active duty issues. The Association is also a veteran organizational supporter of the 2007 Independent Budget.

#### VA Fiscal Appropriations

The past twelve fiscal years of funding for the programs of the

Department of Veterans Affairs have been characterized by five (5) years where fiscal growth was nearly steady state yielding an increase of less than 3 percent. Following those early years were by six years including the past fiscal year of notable budget growth which while significant paled in comparison to the events of a nearly completed decade in which the number of veteran users and medical cost increases outpaced budget gains.

#### FY 2006 Appropriation

NCOA recognizes that the availability of an adequate annual appropriated budget for the Department of Veterans Affairs directly impacts VA programs and the legislative priorities approved by Congress. It was evident to veteran service organizations that the Department's current FY 2006 Budget would be inadequate without additional appropriations.

GAO-06-359R issued on February 1, 2006, Subject: Limited Support for VA's Efficiency Savings brings into serious question budget assumptions used by the VA in formulating its Appropriated Budget for the past three fiscal years. It appears that creative accounting of "Management Efficiencies" totaling billions of dollars were used to offset and directly lower the VA budget requirement in support of veteran health care in the current operating year.

#### FY 2007 Appropriation

NCOA supports Mandatory Funding for Veteran Health Care. All veterans that Congress approved as eligible and VA approved for health care enrollment should be included in the Mandatory Appropriated Budget Process.

The FY 2007 Budget is signaled as representing the largest proposed increase in health care appropriation, a 11.3 percent increase over FY2006, or \$3.5 Billion. NCOA reserves comment in lieu of the high probability that VA health care may have been inappropriately limited by cost efficiencies that masked actual fiscal requirements for health care approved for the past year (re: GAO 06-359R).

The Proposed 2007 Budget Request again advances increased proposed pharmacy co-pays and enrollment fees.

- NCOA Opposes Increased Co-Pays and Enrollment Fees:
- Proposed increase in the existing <sup>Q</sup> pharmacy veteran co-payments of \$8.00 to \$15.00 per month.

NCOA recognizes that many aging veterans on fixed incomes could easily

end up with a pharmacy co-payment costing an additional \$100.00 or more per month. An increase of just \$20.00 per month could dramatically negatively impact senior veterans.

- And again a proposed enrollment or user fee of \$250.00 for higher income Priority Groups 7 and 8.

This Association will continue as in the past to articulate that no “user taxes” in the form of any enrollment fee be required of any veteran.

The authority for Veterans Health Care provided to returning veterans from the war on terrorism for two years after their return. One use of VHA health services for any reason makes them eligible for continued enrollment for VA Health Care. NCOA supports that concept. At the same time, NCOA recognizes that veterans from earlier conflicts (WWII, Korea, Vietnam) or periods of service prior to the War on Terrorism cannot easily be enrolled and based on circumstance may never be enrolled unless VA succeeds in its enrollment fee plan or a Medicare + Choice Program for eligible veterans..

- VA Medicare Subvention - A significant number of veterans are eligible for Medicare Health Benefits based on credits earned during their years of employment. These veterans by law cannot receive Medicare reimbursed health care services for non-service connected care from the Veterans Health Administration.

- o In 2002, VA proposed a VA Medicare + Choice Plan for Medicare –eligible Priority Group 8 Veterans.

- o NCOA suggests that this Committee request that VA resurrect the promised envisioned VA Medicare + Choice Plan for eligible Priority Group 7 and 8 veterans.

Recommendations:

- That VA Appropriated Budget requires mandatory, vice discretionary, funding for veterans health care programs.
- That VHA work to secure and implement VA + Choice Medicare health services for Priority 7 and 8 veterans for non-service connected VA health care.

- That VA implements its long-standing initiative to become a TRICARE provider eligible for reimbursement for services provided.
- Seamless Transition Vital
  - o One stop DoD/VA separation physical examination
  - o VA Benefits determination before discharge
  - o Detailing of military occupational exposures
  - o Consistent and equitable medical and physical evaluation boards
  - o Implement the Electronic Medical Record for military personnel for use by DoD and VA throughout and following the member's military service.
  - o ACCESS to VA health care and benefits

#### The Transformation of VHA Remains Incomplete:

NCOA has long maintained before this Committee that the transformation of VHA remains incomplete as long as Mental Health is not fully integrated into its total health delivery system. The projected \$3.2 Billion in the FY2007 VA Budget for Mental health Services will significantly contribute to the NCOA envisioned health care transformation within VHA.

NCOA strongly believes the future of VA Health Care demands the dynamic expansion of Mental Health Programs into all primary medical care clinics. Recent studies reveal mental health intervention starting in the health care clinic can significantly reduce costs associated with both medical intervention and use of prescription medications. The completed Transformation will ultimately contribute to the direct productivity and cost effectiveness of VA. This is the potential margin in which the future VA can significantly capitalize on its existing fiscal resources while reducing health care costs.

The Association applauded the VA Mental Health Strategic Plan designed to improve mental health services in CBOCs and rebuild substance abuse programs with \$100 Million authorized in FY2005 and all Networks to receive Enhancement Funds in FY2006. Mental Health professionals are transitioning into the CBOCs to provide an integrated VA clinic concept, substance abuse (drug and alcohol) programs, homeless veterans, rehabilitation programs, and geriatric

programs. These programs will be effective if the mental health resource is a full time practitioner in the CBOC and not used as a part time resource to provide service at other locations, including other CBOCs, Homeless Grant and per Diem Locations, and fill other VA service requirements.

- Recommendations:
  - Continue the resource commitment to fund and extend the strategic mental health plan by the integration of mental health professionals throughout VHA.
  - Backfill vacancies created by the movement of mental health resources to CBOCs.

#### Homeless Veteran Programs

- Homeless Grant and Per Diem Programs

The VA Homeless Grant and Per Diem Program have effectively established community based programs to furnish outreach, supportive services, and transitional housing to homeless veterans. The program provided 2,180 operational community beds in FY 2000 and through incremental increases a total of 7,820 beds in FY 2005. NCOA recognizes the effectiveness of these 400 community based programs approved and funded by VA.

VA has been effective in managing the growth of the HOMELESS Grant and Per Diem program to ensure necessary support services are available. It is time for the controlled growth to be expanded to provide for these veterans. It is readily apparent that the Homeless Veteran population now estimated in excess of 180,000 requires a ramp-up in provider networks and support functions.

- Priority for Homeless Veteran Providers in CARES/BRAC Decisions

The need for Community Based Provider Support for Homeless Veterans is apparent across the Nation as is the number of federal locations with surplus property that could be effectively used by communities to develop Homeless Grant and Per Diem facilities. Every effort should be made to give Community Homeless Veteran Programs priority in the reuse designation of surplus community property. Likewise, these special homeless veteran service programs should be given special fiscal consideration in reduced lease contracts.

- Dental Care for Homeless Veterans

Dental Care was authorized IAW 38 U.S.C. 2062 for certain homeless veterans in approved VA programs. At issue are homeless veterans resident at approved community locations across the Nation. Authority for dental care lacks necessary funding to make the program a solid reality.

Recommendations:

- VA increase the annual number of homeless beds available through the Community Grant and Per Diem Program over the next five years to the existing authorization of \$200 Million.
- That CARES and BRAC decisions on excess Federal property give exclusive priority to Community Homeless Veteran Providers and that lease contacts be significantly below enhanced rates established for the location.
- That Home Dental Care programs be funded in the Appropriated Budget cycle.

Veterans Benefits Administration

- Veteran Claim Processing

NCOA recognizes that current budget programs and number of full time employees processing claims within the Veterans Benefits Administration is inadequate to the task at hand. The Global War on Terrorism and commitment of military forces is substantially contributing to an increased workload in new claims. Concurrently, an aging veteran population seeks reevaluation of deteriorating service connected medical conditions and related secondary health issues that further contribute to the claim process workload.

While significant initiatives have been developed to implement improved information technology systems they have neither expedited the management of the claim process, increased productivity through technology, nor reduced errors through intelligent systems, or provided needed time for the quality training of service represen-

tatives. A recent sampling of responses to inquiries at VA Regional Offices resulted in inappropriate responses to benefit eligibility questions which could deter a veteran from pursuing a claim.

NCOA recommends immediate funding be provided to hire, train and keep in place sufficient claim representatives to process the growing number of claims both backlogged and those just arriving in the system.

**Recommendations:**

Accelerate recruitment and training to replace a growing retirement eligible workforce.

Develop self-service computerized access to benefit and entitlement processes via email where centralized work centers could process the inquiries, respond to questions, or secure information for continuation of the claim process.

NCOA strongly believes that time needs to be made available for both quality training and supervisor review for quality control.

VBA should determine the feasibility to have selected retired VBA employees return to the workforce for a contract period during which time new employees could be effectively trained and integrated into claim production centers.

• **Retention of DIC Benefits after Remarriage**

The 108th Congress authorized Dependency and Indemnity Compensation (DIC) widows who remarry after age 57 to retain their DIC benefits. This was a major change in policy, which previously did not permit reinstatement of any DIC benefit if the DIC widow remarried. It also established an arbitrary age of 57 where other similar Federal programs allow remarriage at age 55. NCOA urges the Committees to change reinstatement of this benefit for a widow(er) who remarries at age 55.

**Recommendation:** That Congress provide authority to permit a DIC widow(er) to remarry after the age of 55 (vice 57) and retain DIC status and benefits.

• **Concurrent Receipt of DIC and SBP**

It is time to end the fiscal offset of VA Survivor DIC from the DoD Survivor Benefit program. NCOA believes that DIC and SBP entitlements are separate and distinct programs. SBP represents an election by the service member with concurrence by the member's spouse at time of retirement for which a monthly premium is paid to provide a spousal annuity. The DIC benefit is authorized based on the veteran's death from a service-connected disability. Clearly, these two programs SBP administered by the Department of Defense and DIC administered by the Department of Veterans Affairs are separate and distinct entitlements and each should be available without offset. The current offset is widely regarded as a "widow's tax" reducing the military member's elected SBP entitlement. NCOA urges the Committee to allow concurrent receipt of these distinctly different entitlements.

Recommendation: That DIC and SBP entitlements are provided the surviving spouse without offset.

- Revise DIC Payment Policy

DIC benefits are paid monthly for the preceding month. If the DIC recipient dies at any time in the preceding month, that month's DIC payment is recouped by the Department of Veterans Affairs. Example: VA recoups the entire payment made for the month in which the recipient died regardless of when the recipient died (the 1st day, 15 day or last day of the month). VA, if notified of the death promptly, will make a reverse electronic debit from the account of the electronic deposit. This action has many times resulted in financial hardship caused by former recipient's family members using all resources available to make funeral and estate arrangements without awareness of the debit that occurred. Similarly, written checks received and deposited to the deceased member's account will inevitably result in an overpayment collection notice. Most DIC recipients and their family members have spent a life-time augmenting VA health care and the physical day-to-day life style needs of their disabled veteran. Creating a negative financial impact on the children and/or estate of a widow(er) of a former disabled veteran is in NCOA judgment patently wrong.

Recommendation: Allow the family (estate) of a widow(er) to retain the entire month's DIC payment in which the recipient's death occurred.

## Educational Benefits

- Open Enrollment for VEAP-era Non Participants

A significant number of servicemembers who entered the military during the Veterans Educational Assistance Program (VEAP) era initially declined VEAP enrollment and remain on active duty and have no post-service educational assistance. The Defense Manpower Data Center reports that as of September 2004 that are 61,980 active duty service members in the force who declined VEAP upon entering military service. They have not been given the same opportunity to enroll in the Montgomery GI Bill (MGIB) as other VEAP-era entrants who actually enrolled in VEAP.

The Association recognizes that there have been two opportunities for VEAP enrollees to convert to the MGIB; however, there has never been an opportunity for those who did not enroll in VEAP to do so. The first VEAP conversion program was offered only to those enrolled in VEAP with active accounts of at least \$1.00. This conversion was conducted from October 1996 through October 1997 and yielded approximately 30,000 enrollees. A second VEAP conversion was authorized for those enrolled in VEAP with zero-balance accounts from October 2000 to November 2001. 2,698 (2%) of the 108,792 eligible actually enrolled in the MGIB. With such historically modest conversion numbers, it is highly unlikely that an open-enrollment opportunity for this group of career servicemembers would require more than a modest projected increase in the MGIB fund. With the nation at war, these future veterans should be given the same opportunity to enroll (or decline) the MGIB as all other servicemembers.

Recommendation: That a one-time MGIB open-enrollment opportunity be authorized for all service members to include VEAP-era non-participants.

- Removal of MGIB Delimiting Date

Many active duty members separate or retire from the military and because of financial circumstances and need for employment to support their families never use their Montgomery GI Bill entitlement. Their education entitlement expires 10 years following separation from the military. Members contribute \$1,200 to be eligible for the MGIB. Many of these veterans are only able to pursue educational programs or special classes later in life when their own children are grown and independent of parental financial support.

Recommendations:

That all military retirees have utilization of their MGIB entitlement to a delimiting date equal to 10 years after separation from service, or if higher, the number of years served in the military.

That veterans have access to the unused portion of their \$1,200.00 enrollment fee after the authorized delimiting period to pursue educational endeavors.

- Integrate MGIB Authority for Active, Guard, and Reserve

NCOA strongly recommends that the Montgomery GI Bill be consolidated into a single Law to provide those educational benefits deemed appropriate for members of the Active, Guard, and Reserve personnel. Having all educational entitlements in such a format would cause review of entitlements, expanded benefits, benchmark benefits to cost of education, parity between components, and reviews to be done concurrently vice separate actions over an extended period of time.

Recommendation:

Consolidate all MGIB Programs within one Law.

## CONCLUSION

The Non Commissioned Officers Association has appreciated this opportunity to provide this Committee with the Association's 2006 Veteran Legislative Goals and comment on the VA FY2007 Budget Request.

Your work is extremely important to improving the lives of the men and women who serve or have served their country in the armed services. Your efforts signals that those who answer the call to protect all American citizens by serving in the armed services is appreciated and valued. Our nation must reward freedom's protectors with significant, substantive benefits. Your Committee in our judgment fulfills the promises of Lincoln and a grateful Nation to "care for those who have borne the battle..."

Chairman Buyer and Members of the House Veterans Committee,

the Non Commissioned Officers Association requests that you maintain a comprehensive vision for veterans that by necessity extend to programs that do not fall under your committee's jurisdiction but clearly impacts veterans and their survivors. As advocates for veterans' issues, NCOA asks that you take an aggressive leadership role on such issues as:

- Concurrent Disabled Retired Pay

Authorize concurrent receipt of all military retired pay and VA disability compensation without offset.

Authorize concurrent receipt for those veterans retired because of physical disabilities prior to the completion of 20 years of military service and those offered early retirement at 15 years of service as a force reduction program.

- Combat Related Special Compensation

Include Individual Unemployability in rating decisions for CRSC.

- S. 852 - Fairness in Asbestos Injury Resolution Act

As citizens and colleagues urge support of legislation in the Senate (establishment of the Asbestos Trust Fund) to provide immediate settlement for countless Americans including significant numbers of military and DoD personnel exposed to asbestos and whose lives today or in the future are terminal from medical conditions such as mesothelioma, pneumoconiosis, pulmonary fibrosis, lung disease, bronchogenic carcinoma, malignant mesothelioma. Naval personnel historically have been associated with asbestos exposure resulting from use in the construction of naval vessels for fire protection but in recent years the Nation's military have been exposed to asbestos not only on ships, but buildings including the Pentagon and barracks in Iraq.

- Codifying Burial Rules for Arlington National Cemetery

NCOA strongly believes that the existing rules for interment at Arlington National Cemetery should be changed to allow burial of retirement eligible reservists, without regard to an age limitation, reservists on active or inactive duty for training, and their eligible dependents family members should all be entitled to burial at ANC.

It is reprehensible to bar any reservist the right to be buried based on an arbitrary age requirement or deny when the death results during an authorized active or inactive training period. Members of the Reserve Components need to be fully recognized as a vital element of the Armed Forces and their training periods prepares them for war and other hostilities where they are placed in harm's way. Recommend the following provisions be so codified:

- The burial entitlement of a retirement eligible member of a Reserve Component who at the time of death was under 60 years of age and who, but for age would have been eligible at the time of death for retired pay under 1223 of Title 10 may be buried at ANC on the same basis as the remains of members of the Armed Forces entitled to retired pay under that chapter. The remains of the dependents of a member whose remains are eligible for burial at ANC on the same basis as dependents of members of the Armed Forces entitled to retired pay under such chapter 1223.
- The remains of member of a Reserve component or National Guard of the Armed Forces who dies in the line of duty while on active duty for training or inactive duty training my be buried at ANC on the same basis as the remains of a member of the Armed Forces who dies while on active duty. Provide for the remains of the dependents of a member on the same basis as dependents of members of active duty.
- 100 Percent Disabled Veteran Space Available Travel

Seek and support legislation that will establish a Space Available (Space A) category for 100 percent service connected disabled veterans on military aircraft or government transportation afforded military retirees

Thank you for the opportunity to present the Association's legislative initiatives on behalf of the membership of the Non Commissioned Officers Association of the United States of America.

\* \* \* \* \*

## DISCLOSURE OF FEDERAL GRANTS AND CONTRACTS

The Non Commissioned Officers Association of the USA (NCOA) does not currently receive, nor has the Association ever received, any federal money for grants or contracts. All of the Association's activities and services are accomplished completely free of any federal funding.

Non Commissioned Officers Association of the USA  
Gene Overstreet  
President/CEO

Sergeant Major Gene Overstreet, the 12th Sergeant Major of the Marine Corps, accepted the position of President of the Non Commissioned Officers Association on August 22, 2003 at the NCOA Business Meeting. Overstreet first joined NCOA as Vice President, Membership Recruiting on May 1, 2001.

Sergeant Major Overstreet was born December 4, 1944 in Houston, TX. He entered the Marine Corps in June 1966 and completed recruit training at Marine Corps Recruit Depot, San Diego, CA, followed by Basic Infantry Training School at Camp Pendleton, CA.

Upon completion of school, he reported to Staging Battalion at Camp Pendleton, for further assignment to the 1st Military Police Battalion, 3rd Marine Division, and Republic of Vietnam. Returning to the states, he was reassigned to the Infantry Training Regiment at Camp Pendleton.

Sergeant Major Overstreet subsequently completed successful tours on the Inspector-Instructor staff, Wichita, Kansas; recruiting duty in Des Moines, IA, and Detroit, MI; then returning to Marine Corps Recruit Depot San Diego, as a junior drill instructor, senior drill instructor, Series Gunnery Sergeant and Chief Instructor. Reassigned to Drill Instructor School, he was an Instructor, Drill Master and Chief Instructor.

After completing First Sergeant School, he was assigned to Special

Projects at Drill Instructor School, where he undertook the enormous task of completely transferring the Drill Manual onto videotape for more optimal use during instructional periods. His promotion to first sergeant in February 1979 led to his third assignment on Okinawa as the First Sergeant, Headquarters and Service Co. 9th Engineer Battalion.

Upon his return from overseas, he was the First Sergeant of both Company B and C, 1st Battalion, 4th Marines at Marine Corps Air Ground Combat Center, Twentynine Palms, CA.

Promoted to his present rank in October 1983, Sergeant Major Overstreet became the Inspector Sergeant Major, MCAGCC, Twentynine Palms. Returning to Marine Corps Recruit Depot San Diego, he served as a Battalion and Regimental Sergeant Major in the Recruit Training Regiment. Transferring to Camp Lejeune, NC, he served as the 6th Marines Sergeant Major. This assignment was followed by duty as Regimental Sergeant Major, 12th Marines, Okinawa.

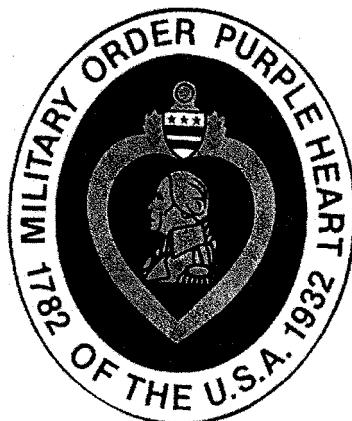
On April 6, 1990, Sergeant Major Overstreet was posted as Depot Sergeant Major at San Diego. He was selected as the 12th Sergeant Major of the Marine Corps in April 1991, and assumed the post on June 28, 1991.

Sergeant Major Overstreet's personal decorations include: Distinguished Service Medal; Superior Service Medal; the Meritorious Service Medal; Navy Commendation Medal; Navy Achievement Medal; and the Combat Action Ribbon.

Upon retiring from the Marine Corps, (June 29, 1995), he worked for a commercial insurance company where he held positions as Vice President of Military Marketing, Regional Vice President for Production, and Vice President for Field Development.

He is married to the former Jeanne Miller of Plainview, TX. They have one son, Jarod.

THE  
**MILITARY ORDER OF THE PURPLE HEART  
OF THE U.S.A., INC.**



THE ONLY CONGRESSIONALLY-CHARTERED VETERANS ORGANIZATION EXCLUSIVELY  
FOR COMBAT-WOUNDED VETERANS

**2006 ANNUAL TESTIMONY  
JAMES D. RANDLES  
NATIONAL COMMANDER  
BEFORE A HEARING OF THE  
HOUSE COMMITTEE ON VETERANS AFFAIRS**

**FEBRUARY 15, 2006**

5413-B Backlick Road  
Springfield, VA 22151-3960  
(703) 642-5360

## **MILITARY ORDER OF THE PURPLE HEART**

**JAMES D. RANDLES, NATIONAL COMMANDER**

**2006 ANNUAL TESTIMONY**

**BEFORE THE HOUSE COMMITTEE ON VETERANS AFFAIRS**

**FEBRUARY 15, 2006**

Chairman Buyer, members of the committee, ladies and gentlemen,

I am James D. Randles, National Commander of the Military Order of the Purple Heart (MOPH). It is an honor to appear before this distinguished body on behalf of the members of MOPH. MOPH is unique among veteran service organizations because our entire membership is comprised entirely of combat wounded veterans who shed their blood on the battlefields of the world while serving America in uniform. For their sacrifices they were awarded the Purple Heart Medal.

I am accompanied today by Senior Vice Commander Tom Poulter, Junior Vice Commander Henry Cook, National Adjutant Bill Bacon, National Service Director Jack Leonard and National Legislative Director Hershel Gober. The National President of the MOPH Ladies Auxiliary, Ms. Judith Spaulding is also present.

This committee is extremely important to MOPH and its members. We look to you to represent the veterans of our country and to ensure that all members of Congress understand that America must keep its promises to those men and women who have served and are now serving in uniform if we are to maintain a viable military and continue to enjoy the freedoms that we have. Veterans have earned their entitlements and benefits.

I would like to begin by thanking Congress for doing the right thing by increasing the death and other benefits for the service men and women who are serving our country in uniform. This was one of our legislative goals last year. We cannot ask military personnel to put themselves in harms way without committing to the welfare of their survivors.

**ADEQUATE FUNDING FOR THE VA HEALTH ADMINISTRATION**

The Military Order of the Purple Heart (MOPH) is on record as supporting the Independent Budget, which is developed and submitted to Congress by the Veterans of Foreign Wars (VFW), Disabled American Veterans (DAV), Paralyzed Veterans of America (PVA) and American Veterans (AMVETS).

I am the third MOPH National Commander in a row to present as our number one priority Adequate / Assured Funding for the VA Health Administration. MOPH joins our fellow VSOs in urging Congress to find a long-term solution to the annual funding crisis at the VA. VA deserves a system that delivers funds on time to allow for long-term planning. With the on-going War on Terror and our service members returning home from war with medical conditions requiring treatment at VA hospitals, the VA needs the capability to meet their needs. The funding problem was demonstrated last year when the need to provide \$1.5 billion in emergency supplemental appropriations for FY 2005 surfaced, and the need to amend the FY 2006 budget with an additional \$1.977 billion.

**THE AWARD OF THE PURPLE HEART MEDAL TO THOSE POWS  
WHO DIED IN CAPTIVITY**

The MOPH believes that those military personnel who suffered hardships and wounds or illnesses while held in POW camps and died as a result of their interment should be considered as combat casualties and eligible for the award of the Purple Heart Medal. MOPH supports legislation that has been introduced in both houses of Congress (H.R. 2369 and S. 2157) that would authorize the award of the medal.

**THE MEDAL HONOR FOR CHAPLAIN EMIL J. KAPAUN**

Chaplain Kapaun was awarded the Distinguished Service Cross (DSC) for his service as a field Chaplain in Korea and for his unselfish sacrifices for the good of his fellow soldiers while he was a POW. He was universally known as a "soldier's soldier" by those who served with him during his military service and especially by those who were his fellow POWs in the brutal North Korean prisoner of war camp. MOPH supports upgrading the DSC to the Medal of Honor for Chaplain Kapaun.

**FAMILY RELIEF FUND FOR MEMBERS OF THE NATIONAL GUARD AND RESERVES**

MOPH strongly supports the creation of a **Military Family Relief Fund**, at the federal level, for all National Guard and Reserve members who are mobilized and suffer a loss of pay due to this mobilization. We encourage the Congress to create these funds to help the families of all activated and deployed Guard and Reserve members at all levels

**RETIRED PAY RESTORATION**

MOPH is pleased that Congress has enacted legislation that authorizes some military retirees to concurrently receive both full military retired pay and any VA compensation to which they are entitled. MOPH's position is that **ALL** those eligible for concurrent receipt should receive it.

**COMBAT MILITARY RETIRED VETERANS**

MOPH supports legislation to provide for the payment of Combat-Related Special Compensation to members of the Armed Forces retired for disability with less than 20 years of active military service and who were awarded the Purple Heart Medal.

**SURVIVOR BENEFIT PLAN (SBP) AND DEPENDENCY AND INDEMNITY COMPENSATION (DIC)**

MOPH supports legislation that will repeal the requirement for the reduction of SBP annuities by the amount of DIC compensation. Survivors of retirees who die of service connected causes and paid into SBP, and survivors of members killed on active duty, should receive both SBP and DIC without the current dollar for dollar offset.

**STOLEN VALOR ACT OF 2005**

MOPH supports H. R.3352 and S. 1998. It is unfortunate, especially with our country engaged in on-going conflicts, that there are citizens in this country that lie about the medals that they received while serving in the military, or in some cases that never actually served in the military. This is not just an occurrence now and then but regrettably it is a huge problem. This legislation would provide for fines and imprisonment for those "wannabees" that dishonor the medals for valor and

the Purple Heart Medal and those brave men and women who have legitimately received these medals. MOPH urges passage of this legislation.

#### **ASBESTOS TRUST FUND**

MOPH supports the Fairness in Asbestos Injury Resolution (FAIR Act) (S. 852) that will establish a Trust Fund for victims, including veterans, who were exposed to asbestos during their military service.

The FAIR Act offers sick veterans a way to receive the compensation they deserve. Presently, it is difficult for veterans to turn to the courts for help with their asbestos related medical costs. Veterans are barred by law from suing their employer (the federal government) for compensation. By taking asbestos claims out of the court system, the FAIR Act will ensure veterans will have a speedy and just avenue for receiving compensation.

#### **PROTECTING THE FEDERAL SUPPLY SCHEDULE (FSS)**

Due to the fact that VA makes up a small portion of the pharmaceutical market, the VA currently receives greatly reduced pricing on pharmaceutical drugs because of contracts with vendors. The VA currently purchases approximately 24,000 pharmaceutical products at discounts ranging from 24 to 60 percent below drug manufacturers' most favored non-federal, non-retail customer pricing. Efforts have been made to open the FSS to other entities which would/could have the effect of VA losing the favorable pricing and cost the VA hundreds of millions of dollars in unbudgeted funds, funds which they do not have and would have to divert from medical services that could deny veterans treatment. MOPH supports lower priced pharmaceuticals for all Americans but not at the expense of veterans.

#### **MILITARY EXCHANGE AND COMMISSARY PRIVILEGES FOR RECIPIENTS OF THE PURPLE HEART MEDAL**

MOPH will support legislation that would provide this benefit to all recipients of the Purple Heart Medal. This would recognize the sacrifices of those service members who shed their blood on the battlefields for America.

Mr. Chairman this concludes my testimony. I will be pleased to answer your questions.

**DISCLOSURE STATEMENT**

The Military Order of the Purple Heart does not receive and has not received any Federal Grants nor have any Federal Contract.

**James D. Randles**  
**National Commander**  
**2005-2006**  
**Military Order of the Purple Heart of the USA, Inc.**

James "Jim" Randles, 62, is the 2005-2006 National Commander of the Military Order of the Purple Heart, a veterans' organization comprised exclusively of 38,000 combat wounded veterans.

His upward movement in the Military Order of the Purple Heart included stints as a Chapter Commander, Department Commander, Region IV Commander, National Junior Vice Commander, and finally National Senior Vice Commander. By holding command-level offices at all levels of the Order, Randles is uniquely qualified to become National Commander.

Randles spent his Army career as a tanker, serving in various positions in armored and cavalry units. He was the troop commander of G Troop, 2d Squadron, 11<sup>th</sup> Armored Cavalry Regiment in Vietnam. It was during this command that he was wounded and eventually evacuated to Madigan Army Hospital in Fort Lewis, Washington. Serving in various posts around the world, Randles eventually ended up assigned to the Readiness Group Atlanta where he decided to retire.

His awards and decorations include a Bronze Star for Valor earned in Vietnam, along with the Purple Heart and two more Bronze Stars. Randles was awarded the Joint Service Commendation Medal. He also has been recognized numerous times for his leadership and organizational abilities by having three Meritorious Service Medals awarded along with three Army Commendation Medals. His decorations also include the Vietnam Campaign Medal, Vietnam Service Medal and the Vietnamese Armor Badge.

Randles and his wife of 32 years, Jerolyn, live in Atlanta, GA. They have one daughter, Jerolyn Nicole Redstrom, who also resides in Atlanta. He currently is employed as the Veterans Affairs Operations Officer for the State of Georgia.

